

**GROWTH, ECONOMIC DEVELOPMENT AND  
COMMUNITIES CABINET COMMITTEE**

**Tuesday, 21st November, 2017**

**10.00 am**

**Darent Room, Sessions House, County Hall,  
Maidstone**







## AGENDA

### GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE

**Tuesday, 21 November 2017 at 10.00 am**  
**Darent Room, Sessions House, County Hall,**  
**Maidstone**

Ask for: **Georgina Little**  
Telephone: **03000 414043**

*Tea/Coffee will be available 15 minutes before the start of the meeting*

#### **Membership (16)**

Conservative (13): Mr M Whiting (Chairman), Mr S Holden (Vice-Chairman), Mrs R Binks, Mr A Booth, Mr A H T Bowles, Mr D Butler, Mr A Cook, Mr J A Kite, MBE, Mr G Lymer, Mr P J Messenger, Mr H Rayner, Mr A M Ridgers and Mr J Wright

Liberal Democrat (2): Mr I S Chittenden and Mr A J Hook

Labour (1) Mr D Farrell

#### **Webcasting Notice**

Please note: this meeting may be filmed for the live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council.

By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately

#### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

- 1 Introduction/Webcast announcements
- 2 Apologies and Substitutes  
To receive apologies for absence and notification of any substitutes present
- 3 Declarations of Interest by Members in items on the Agenda  
To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared
- 4 Minutes of the meeting held on 6 September 2017 (Pages 7 - 10)

To consider and approve the Minutes as a correct record

- 5 Verbal updates by Cabinet Members and Corporate Director  
To receive verbal updates by the relevant Cabinet Members
  
- 6 PRESENTATIONS - Note this item is time limited with a maximum of 30 minutes for each presentation including Members' questions
  - 6.1 The Manston Airport DCO Presentation  
Delivered by Riveroak Strategic Partners Limited
  
  - 6.2 Stone Hill Park Presentation  
Delivered by Stone Hill Park Developers
  
- 7 Performance Dashboard (Pages 11 - 24)  
To receive the Performance Report
  
- 8 Housing Infrastructure Fund (Pages 25 - 32)  
To receive a report that presents an outline of the Housing Infrastructure Fund launched by the Department for Communities and Local Government. It sets out the amount and type of funding available and the respective roles of Kent County Council and the district and borough councils in the bidding process.
  
- 9 Inward Investment Services - Contract Extension (SS1560) (Pages 33 - 36)  
To consider and endorse, or to make recommendations to the Leader of the Council on the proposed decision to extend the inward investment services contract with Locate in Kent for a further twelve months to August 2020.
  
- 10 An Enterprise and Productivity Strategy for Kent (Pages 37 - 44)  
To note the proposal to develop an Enterprise and Productivity strategy for Kent and make further suggestions to the Cabinet Member for Economic Development.
  
- 11 17/00119 - Javelin Way Development (Pages 45 - 52)  
To consider and endorse, or make recommendations to the Cabinet Member for Community and Regulatory Service on the proposed decision to enter into legal agreements with the Jasmin Vardimon Company.
  
- 12 17/00110 - Reinvestment of Growing Places Fund (Pages 53 - 62)  
To consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision for Kent County Council to note the Growing Places Fund (GPF) bid submissions to the South East Local Enterprise Partnership made by the Kent & Medway Economic Partnership.
  
- 13 RGF Programmes Monitoring Report (Pages 63 - 76)

To note the RGF Programmes Monitoring report.

14 Financial Monitoring 2017-18 (Pages 77 - 78)

To note the revenue and capital forecast variances from the budget for 2017-18 that are within the remit of this Cabinet Committee, based on the August monitoring reported to Cabinet on 30 October 2017.

15 Work Programme 2018 (Pages 79 - 82)

To consider and agree a work programme for 2018.

**EXEMPT ITEMS**

*(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)*

John Lynch,  
Head of Democratic Services  
03000 410466

**Monday, 13 November 2017**

*Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.*

**KENT COUNTY COUNCIL****GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES  
CABINET COMMITTEE**

MINUTES of a meeting of the Growth, Economic Development and Communities Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 6 September 2017.

PRESENT: Mr M Whiting (Chairman), Mr S Holden (Vice-Chairman), Mrs R Binks, Mr A Booth, Mr D Butler, Mr I S Chittenden, Mr A Cook, Mr D Farrell, Mr A J Hook, Mr J A Kite, MBE, Mr G Lymer, Mr P J Messenger, Mr A M Ridgers and Mr J Wright

ALSO PRESENT: Mr M C Dance and Mr P M Hill, OBE

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mrs K Stewart (Director of Environment Planning and Enforcement), Ms A Agyepong (Corporate Lead - Equalities and Diversity), Mr R Fitzgerald (Performance Manager), Ms S Holt (Head of Culture & Sport Group), Mrs S Nurden (Kent and Medway Economic Partnership's Strategic Programme Manager), Mr J Pearson (Service Improvement Programme Manager), Mrs C Ridgway, Mr D Smith (Director of Economic Development) and Miss E West (Democratic Services Officer)

**UNRESTRICTED ITEMS****17. Apologies and Substitutes**

*(Item 2)*

No apologies were received.

**18. Declarations of Interest by Members in items on the Agenda**

*(Item 3)*

No declarations of interest were received.

**19. Minutes of the meeting held on 21 June 2017**

*(Item 4)*

1. Resolved that the minutes of the meeting held on 21 June 2017 are a correct record and that they be signed by the Chairman.

**20. Verbal updates by Cabinet Members and Corporate Director**

*(Item 5)*

1. Mike Hill (Cabinet Member for Community and Regulatory Services) said that he had visited the Gulbenkian theatre in Canterbury to share a platform with the Chief Executive of the Arts Council England for a young person's arts event. He said that the event was held to allow young people to take part in art events and was organised entirely by the young people. The Chief Executive was very impressed with the young people at the event and the event was strongly

supported and sponsored by Kent County Council. Mr Hill had also visited Margate with Barbara Cooper (Corporate Director of Growth, Environment and Transport) to look more closely at the new arrangements aimed at regenerating the area.

- a) In response to questions and comments around the need to promote changes that had been made to transform towns in Kent, Mr Hill said that Kent County Council promoted the majority of work carried out and tried to get as much recognition for the positive impacts of the work.
2. Mark Dance (Cabinet Member for Economic Development) discussed the Discovery Park's fifth anniversary event and said he would be attending it to meet with new owners and seek their commitment to build upon the work that had been done.
3. RESOLVED that the verbal updates be noted.

## **21. Performance Dashboard**

*(Item 6)*

1. Richard Fitzgerald (Business Intelligence Manager) introduced the Performance Dashboard which showed progress made against targets for key performance indicators.
2. Mr Dance commented on the 'External Investments secured through European Funding' rating and explained that this was a Brexit implication.
3. The Chairman commended the hard work undertaken by staff and officers to ensure that the majority of the ratings remained green.
  - a) In response to comments and questions, Mr Dance discussed the amber ratings in the report in further detail and said it was important to allow companies time to grow and develop in order to succeed. Katie Stewart (Director of Environment, Planning and Enforcement) undertook to bring a report about Trading Standards to a meeting of the Committee in the future.
4. Resolved that the report be noted.

## **22. Work Programme 2017/18**

*(Item 7)*

1. Resolved that the work programme for 2017 be noted.

## **23. Revision of South East Local Enterprise Partnership's (SELEP) Strategic Economic Plan**

*(Item 8)*

1. Sarah Nurden (Strategic Programme Manager – KMEP) introduced the SELEP (South East Local Enterprise Partnership) report and discussed the Strategic Economic plan which set out how Economic Growth would be driven forward in the area. She presented a set of slides and welcomed feedback from the Committee.



2. Mr Dance said that start-up and innovation buildings must run at full capacity to ensure good value for money and best practice.
  - a) In response to comments from Members, Adam Bryan (Managing Director of SELEP) said that SELEP aimed to engage as many people as possible and to take a lead from the local area.
  - b) In response to comments from Members, Jim Sims (Consultant – The Service Design Company Ltd) discussed population and productivity growth and the challenges around productivity and innovation. He said that high value/growth sectors needed to be supported appropriately in order to compete more effectively in a global economy.
  - c) In response to comments from Members, Sarah Nurden said that the system was fairly difficult to navigate. She said it had been suggested that schools were a ‘missing link’ in the Local Enterprise Partnership should be invited to nominate one person to join the board to allow conversations to be had across the whole sector and therefore target a larger audience. She discussed the importance of work readiness, transferrable skills and a smooth transition process into a workplace for students and said that careers advice was very important for students who may not have the right attitude to work.
3. Sarah Nurden said that feedback would be taken on board and suggested bringing the item back to the Committee once a final output had been received. The Chairman agreed that this would be beneficial to the Committee.
4. RESOLVED that the activity underway to review and revise the South East Local Enterprise Partnership’s Strategic Economic Plan, be noted.

**24. Libraries, Registration and Archives ambition work and proposed Member working group**  
*(Item 9)*

1. Mr Hill commended the hard work that had been undertaken over recent months and said that despite severe financial constraints, no libraries had to be closed in Kent.
2. James Pearson (Head of Service – Libraries, Registration and Archives) introduced the report which outlined the proposal to develop an ambition statement for Libraries, Registration and Archives, and recommended the setting up of a cross-party Member working group to support the work. He said that Kent had seen and would continue to see a change in demography and changes in how people accessed services. Libraries, Registration and Archives would look at the future challenges of population growth and work towards recognising benefits, importance and financial realities that the service had.
3. The Chairman talked about the cross-party Member working group to support the work and reminded Members that the group should be balanced and effective. He added that the report would be brought back to a future meeting of the Committee.

4. In response to comments from Members, the Chairman commented on the range of activities that were offered in libraries.
5. RESOLVED that:
  - i. The proposal to develop an ambition statement for Libraries, Registration and Archives, be noted.
  - ii. The setting up of a Member working group to support this work, be supported.

**25. 2016/17 Growth, Environment and Transport Equality and Diversity Review**  
*(Item 10)*

1. Akua Agyepong (Corporate Lead – Equality and Diversity) introduced the report which set out a position statement for services within the Growth, Environment and Transport Directorate regarding equality and diversity work and progress on KCC equality and diversity objectives for 2016/17.
2. Stephanie Holt (Head of Countryside, Leisure and Sport) explained the structure of the report and said that a directorate group met every six weeks with a clear focus on ensuring equality and diversity were embedded into every stage of the commissioning cycle. The group also ensured that evidenced Equality Impact Assessments were undertaken for all priority programmes and projects, including service redesign and transformation, appropriate training was in place for staff to ensure the Directorate met its equality and diversity duties efficiently and to understand and analyse the data regarding GET staffing.
  - a) In response to comments from Members, Akua Agyepong said statistics had shown that diverse teams had a high level of productivity. She said that although diversity increased productivity and offered an insight into communities, it was still important to ensure that people in a certain role were the best people for that role.
3. Barbara Cooper said that the Strategic Business Development Intelligence team (SBDI) held information about communities and KCC's services and that it was important to understand communities in order to provide the right services. She added that staffing was monitored to ensure that policies did not inadvertently give a biased or perverse outcome to certain groups of staff.
4. In response to comments from Members, Akua Agyepong said that decisions must be made based on evidence. In relation to transgender equality, the Equality and Diversity team had been working on KCC's transgender policy, and training and monitoring guidance would be delivered to staff. She said that the policy framework began with respect, and that staff needed to have the confidence to challenge, question and speak up when they needed extra training on certain areas.
5. RESOLVED that the current performance be noted and that the report be received annually in order to comply with the Public Sector Equality Duty.

**From:** Mark Dance, Cabinet Member for Economic Development  
 Mike Hill, Cabinet Member for Community and Regulatory Services  
 Barbara Cooper, Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee – 21 November 2017

**Subject:** Performance Dashboard

**Classification:** Unrestricted

**Summary:**

The Growth, Economic Development and Communities Performance Dashboard shows progress made against targets set for Key Performance Indicators.

**Recommendation(s):**

The Growth, Economic Development and Communities Cabinet Committee is asked to NOTE the performance report.

**1. Introduction**

- 1.1. Part of the role of Cabinet Committees is to review the performance of the functions of the Council that fall within the remit of the Committee.
- 1.2. To support this role Performance Dashboards are regularly reported to each Cabinet Committee throughout the year, and this is the second report for this financial year to this Committee.

**2. Performance Dashboard**

- 2.1. The current Growth, Economic Development and Communities Performance Dashboard is attached at Appendix 1. This provides results up to the end of September 2017.
- 2.2. The Dashboard provides a progress report on performance against target for the Key Performance Indicators (KPIs) included in this year's Directorate Business Plans. The Dashboard also includes a range of activity indicators which help give context to the Key Performance Indicators.
- 2.3. Key Performance Indicators are presented with RAG (Red/Amber/Green) alerts to show progress against targets. Details of how the alerts are generated are outlined in the Guidance Notes, included with the Dashboard in Appendix 1.

**3. Results to June 2017**

- 3.1. Regional Growth Fund jobs created was close to target. The number of properties brought back to use through No Use Empty (NUE) is 220 so far this year, ahead of

target and 5,246 since the start of the project. Inward investment targets are being exceeded but business support activity has been below target. External investment secured through European funding has so far been below expected levels but this situation can easily reverse with one successful bid to a funding round. Funding achieved from developer contributions has been above target.

- 3.2. LRA has recently been successful in achieving the Customer Service Excellence award for the seventh year running which came following an external assessor visit to Kent. We are also making progress to digitise parts of the Archive collection and we will be making some staffing realignments and layout changes to improve Archive satisfaction Birth and death registration results have dropped by 2% on last year. We are carrying out further analysis of the underlying results and feedback to establish any areas where we can make improvements although the rate does remain high at 93% satisfaction.
- 3.3. Visits to libraries over this quarter have exceeded plan expectations and book issues were higher than expected. The visits are however down on last year so LRA is looking at how we can still boost these. Our online contact continues to grow with an 84% increase on Facebook and 40% increase in use of our online reference resources. Although not included in our online contact totals there is also a 12% increase in e-issues compared to the same quarter last year.
- 3.4. The number of customers attending events improved during Quarter 2 with lots of activity relating to the Summer Reading Challenge with over 18,000 children registering to take part and nearly 10,000 children completing the 6 books. Quote from a Canterbury parent of a 7 year old “I really enjoyed helping my child and saw her reading improve over the summer”. The direction of travel is up for online book renewals and birth appointments booked online.
- 3.5. All indicators for Environment, Planning and Enforcement (EPE) are currently ahead of target, with the exception of both income generated by charged for services, and investment secured. Income generated can fluctuate throughout the year, however services are confident that the year-end target will be met. The target for investment secured is now unlikely to be met as approximately £0.5m of EU funding previously secured has been rephased.

### **3. Recommendation(s):**

The Growth, Economic Development and Communities Cabinet Committee is asked to NOTE the performance report.

## **4. Background Documents**

The Council's Directorate Business Plans:

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/corporate-policies/business-plans>

## 5. Contact details

### **Report Author:**

Richard Fitzgerald

Business Intelligence Manager – Performance  
Strategic Business Development & Intelligence

Tel: 03000 416091

Email: [richard.fitzgerald@kent.gov.uk](mailto:richard.fitzgerald@kent.gov.uk)

### **Relevant Director:**

Barbara Cooper

Corporate Director, Growth, Environment and Transport

Tel: 03000 415981

Email: [Barbara.Cooper@kent.gov.uk](mailto:Barbara.Cooper@kent.gov.uk)

# **Growth, Economic Development and Communities Performance Dashboard**

## **Financial Year 2017/18**

### **Results up to end of September 2017**

Page 14

**Produced by Strategic Business Development & Intelligence**

**Publication Date: November 2017**



## Guidance Notes

### RAG RATINGS

All results in this report are shown as Year to Date (YTD) values and the RAG status

|              |  |
|--------------|--|
| <b>GREEN</b> | Target has been achieved                             |
| <b>AMBER</b> | Floor Standard* achieved but Target has not been met |
| <b>RED</b>   | Floor Standard* has not been achieved                |

\*Floor Standards are set in Directorate Business Plans and if not achieved must result in management action

### Activity Indicators

Activity Indicators representing demand levels are also included in the report. They are not given a RAG rating or Direction of Travel alert. Instead they are tracked within an expected range represented by Upper and Lower Thresholds. The Alert provided for Activity Indicators is whether they are in expected range or not. Results can either be in expected range (**Yes**) or they could be **Above** or **Below**.

**Key Performance Indicators Summary**

Page 16

| <b>Economic Development (ED)</b>   | <b>RAG</b> |
|--|------------|
| ED04a : Confirmed FTE jobs created/safeguarded through RGF (cumulative since start of schemes) | AMBER      |
| ED04b : Jobs created through inward investment services contract                               | GREEN      |
| ED05 : Number of homes brought back to market through No Use Empty                             | GREEN      |
| ED09 : Successful projects achieved through inward investment services contract                | GREEN      |
| ED07 : External investment secured through European funding to deliver Kent-wide priorities    | RED        |
| ED08 : Developer contributions secured against total contributions sought                      | GREEN      |
| ED10 : Businesses assisted via Kent and Medway Growth Hub contract                             | AMBER      |
| ED11 : Businesses assisted through intensive support provided via the Growth Hub contract      | AMBER      |

| <b>Libraries, Registrations and Archives (LRA)</b>              | <b>RAG</b> |
|---|------------|
| LRA06 : Customer satisfaction with birth and death registration | AMBER      |
| LRA07 : Customer satisfaction with wedding ceremonies           | GREEN      |
| LRA12 : Customer satisfaction with libraries                    | GREEN      |
| LRA13 : Customer satisfaction with archives                     | AMBER      |
| LRA18 : Customer satisfaction with citizenship ceremonies       | GREEN      |

| <b>Libraries, Registrations and Archives (LRA)</b>                        | <b>RAG</b> |
|---|------------|
| DT11 : Percentage of automated book renewals                              | AMBER      |
| DT12 : Percentage of birth registrations booked online                    | GREEN      |
| LRA14 : Number of customers using outreach services                       | AMBER      |
| LRA15 : Number of customers attending events in libraries and archives    | GREEN      |
| LRA16 : Number of archival documents utilised by the public               | GREEN      |
| LRA17 : Number of volunteer hours adding extra value to - the LRA service | AMBER      |

| <b>Environment, Planning and Enforcement (EPE)</b>  | <b>RAG</b> |
|---|------------|
| EPE02 : Criminal activity investigated by Trading Standards (£000s)                             | GREEN      |
| EPE03 : Items prevented from entering, or removed from, the market by Trading Standards (£000s) | GREEN      |
| EPE04 : Total number of businesses supported by EPE services                                    | GREEN      |
| EPE15 : Income generated by EPE charged for services (£000s)                                    | AMBER      |
| EPE16 : Median number of days to resolve priority faults on the Public Rights of Way network    | GREEN      |
| EPE18 : Investment secured by EPE services (Grants / EU funding) (£000s)                        | AMBER      |
| EPE19 : Number of volunteer hours contributing to delivery of EPE services                      | GREEN      |



| Division             | Director    | Cabinet Member |
|----------------------|-------------|----------------|
| Economic Development | David Smith | Mark Dance     |

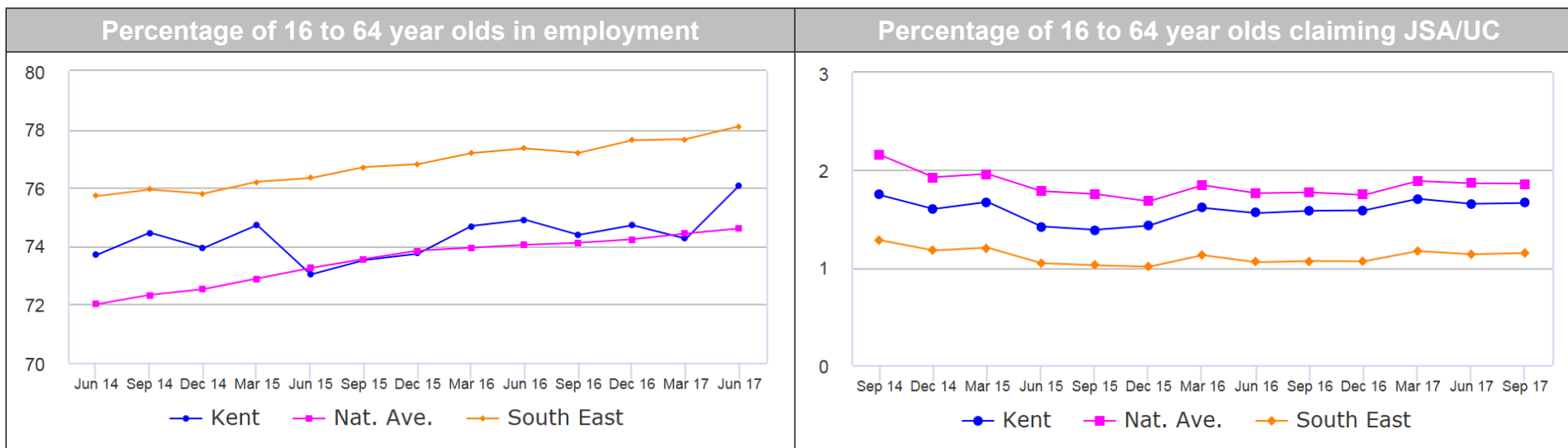
| Ref   | Performance Indicators   | Year to Date | RAG   | YTD Target | YTD Floor | Prev. Yr. YTD |
|-------|--|--------------|-------|------------|-----------|---------------|
| ED04a | Confirmed FTE jobs created/safeguarded through RGF (cumulative since start of schemes) - June data           | 3,928        | AMBER | 4,049      | 3,442     | 3,312         |
| ED04b | Jobs created through inward investment services contract (yet to be fully validated with businesses)         | 1,117        | GREEN | 800        | 300       | N/a           |
| ED05  | Number of homes brought back to market through No Use Empty  | 220          | GREEN | 200        | 175       | 272           |
| ED09  | Successful projects achieved through inward investment services contract                                     | 34           | GREEN | 20         | 7         | N/a           |
| ED07  | External investment secured through European funding to deliver Kent-wide priorities                         | £4.1m        | RED   | £5.2m      | £4.2m     | N/a           |
| ED08  | Developer contributions secured against total contributions sought   | 93%          | GREEN | 90%        | 80%       | N/a           |
| ED10  | Businesses assisted via Kent and Medway Growth Hub contract (cumulative since start of contract in Nov 16)   | 2,303        | AMBER | 2,857      | 2,107     | N/a           |
| ED11  | Businesses assisted through intensive support provided via the Growth Hub contract (cumulative since Nov 16) | 237          | AMBER | 308        | 233       | N/a           |

ED04a – To be updated with September figures on 11<sup>th</sup> November.

ED07 - The figure relates to known project approvals for Interreg, ESIF and LEADER funding made so far this year.

ED10 & 11– The take up of the services, by the businesses, was slow at the start of the contract but is improving month on month.

|                             |                    |                       |
|-----------------------------|--------------------|-----------------------|
| <b>Division</b>             | <b>Director</b>    | <b>Cabinet Member</b> |
| <b>Economic Development</b> | <b>David Smith</b> | <b>Mark Dance</b>     |



The indicators above provide contextual information on the general state of the Kent economy.

The percentage of 16 to 64 year olds in employment is derived from the Annual Population Survey (APS) which is a sample survey. The results of the survey come with statistical confidence intervals, which for Kent are plus or minus 2%. Those not in employment include individuals who are students, looking after family/home, temporary or long term sick, and retired.

The percentage of the population claiming Job Seekers Allowance (JSA) or Universal Credit (UC) required to seek work (the claimant count), is a good proxy measure for unemployment and is a 100% count of claimants. The claimant rate is currently low compared to past trends and has been largely stable for the last 18 months. The number of people unemployed, as defined by the International Labour Organisation (ILO) and as estimated by the APS, includes individuals on other benefit types and also those not on benefits but seeking work, and this definition results in a higher percentage than the claimant count.

| Service Area                          | Head of Service | Cabinet Member |
|---------------------------------------|-----------------|----------------|
| Libraries, Registrations and Archives | James Pearson   | Mike Hill      |

| Ref   | Performance Indicators                                  | Year to Date | RAG   | Target YTD | Floor YTD | Prev. Yr. |
|-------|---|--------------|-------|------------|-----------|-----------|
| LRA06 | Customer satisfaction with birth and death registration | 93%          | AMBER | 95%        | 90%       | 96%       |
| LRA07 | Customer satisfaction with wedding ceremonies           | 98%          | GREEN | 95%        | 90%       | 97%       |
| LRA12 | Customer satisfaction with libraries                    | 97%          | GREEN | 95%        | 90%       | 95%       |
| LRA13 | Customer satisfaction with archives                     | 88%          | AMBER | 90%        | 82%       | 86%       |
| LRA18 | Customer satisfaction with citizenship ceremonies       | 98%          | GREEN | 95%        | 90%       | N/a       |

LRA06 - Further analysis of birth and death results is to be carried out to establish what can be done to improve this result.

LRA13 – Archive results are based on a very limited number of returns, currently we are carrying out a survey of customers who use the service to answer enquiries. These combined returns should give us a statistically sound result.

| Ref    | Activity Indicators   | Year to Date | Prev. Yr. YTD |
|--------|---|--------------|---------------|
| LRA06b | Number of customers surveyed for satisfaction with birth and death registration | 1,264        | 882           |
| LRA07b | Number of customers surveyed for satisfaction with wedding ceremonies           | 216          | 549           |
| LRA12b | Number of customers surveyed for satisfaction with libraries                    | 1,179        | 199           |
| LRA13b | Number of customers surveyed for satisfaction with archives                     | 49           | N/a           |
| LRA18b | Number of customers surveyed for satisfaction with citizenship ceremonies       | 229          | N/a           |

| Service Area                          | Head of Service | Cabinet Member |
|---------------------------------------|-----------------|----------------|
| Libraries, Registrations and Archives | James Pearson   | Mike Hill      |

| Ref   | Performance Indicators  | Year to Date | RAG   | Target YTD | Floor YTD | Prev. Yr. |
|-------|---|--------------|-------|------------|-----------|-----------|
| DT11  | Percentage of automated book renewals                           | 74%          | AMBER | 75%        | 71%       | 72%       |
| DT12  | Percentage of birth registrations booked online                 | 75%          | GREEN | 75%        | 69%       | 70%       |
| LRA14 | Number of customers using outreach services (snapshot)          | 1,371        | AMBER | 1,470      | 1,320     | 1,438     |
| LRA15 | Number of customers attending events in libraries and archives  | 116,222      | GREEN | 108,300    | 97,900    | 108,462*  |
| LRA16 | Number of archival documents utilised by the public             | 17,969       | GREEN | 15,000     | 13,740    | 12,624*   |
| LRA17 | Number of volunteer hours adding extra value to the LRA service | 20,947       | AMBER | 22,500     | 20,250    | N/a       |

\*Year to date figure

DT11 – Progress on improving digital take-up is slow, but direction of travel is positive.

LRA14 - We are currently looking to open up the criteria for the Home Library Service so that more customers can take advantage of this offer and will be promoting this across the service.

LRA17 - Numbers of volunteers recruited to add value to the service is increasing which should result in an increase of hours.

| Ref   | Activity Indicators                       | Year to Date | Prev. Yr. YTD |
|-------|---|--------------|---------------|
| DT11b | Number of book renewals (000s)            | 739          | 737           |
| DT12b | Number of birth registration appointments | 9,720        | 9,683         |

| Service Area                          | Head of Service | Cabinet Member |
|---------------------------------------|-----------------|----------------|
| Libraries, Registrations and Archives | James Pearson   | Mike Hill      |

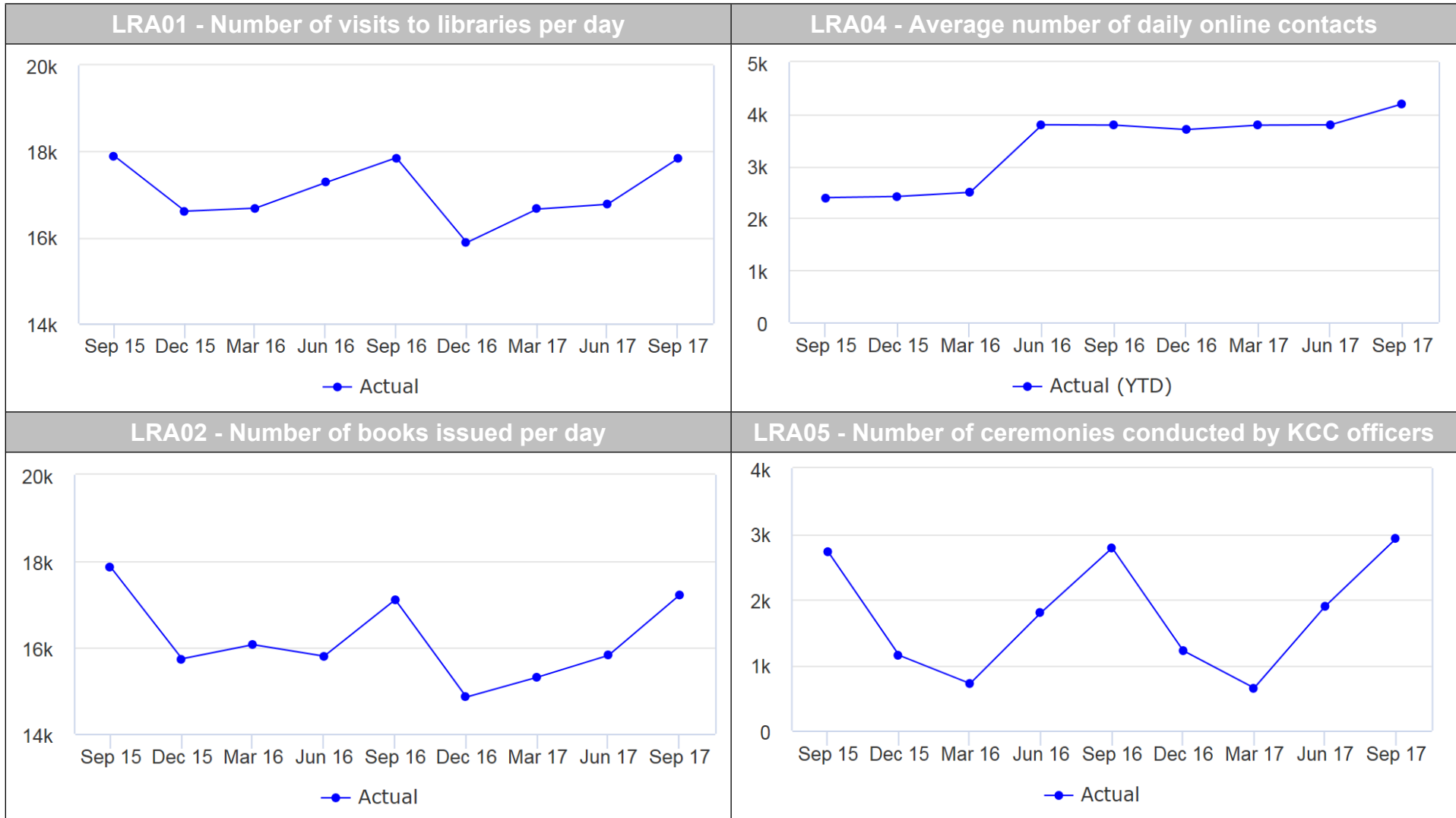
| Ref   | Activity Indicators   | Year to Date | In expected range? | Expected Activity |        | Prev. Yr. YTD |
|-------|---|--------------|--------------------|-------------------|--------|---------------|
|       |   |              |                    | Upper             | Lower  |               |
| LRA01 | Average number of visits to libraries per day (excludes mobile libraries) | 17,318       | Yes                | 17,434            | 15,987 | 17,569        |
| LRA02 | Average number of books issued per day (includes audio- and e-books)      | 16,535       | <b>Above</b>       | 16,217            | 14,901 | 16,461        |
| LRA04 | Average number of daily online contacts to the service                    | 4,229        | <b>Above</b>       | 3,770             | 3,443  | 3,788         |
| LRA05 | Number of ceremonies conducted by KCC officers                            | 4,825        | <b>Above</b>       | 4,700             | 4,300  | 4,584         |

LRA02 - Library books issues so far this year are encouraging, and are above our predicted upper level of activity.

LRA04 – Our online contacts continue to grow with Facebook and online reference resources performing particularly well.

LRA05 - This service continues to grow.

| Service Area                          | Head of Service | Cabinet Member |
|---------------------------------------|-----------------|----------------|
| Libraries, Registrations and Archives | James Pearson   | Mike Hill      |



| Division                              | Director      | Cabinet Member |
|---------------------------------------|---------------|----------------|
| Environment, Planning and Enforcement | Katie Stewart | Mike Hill      |

| Ref   | Performance Indicators   | Year to Date | RAG   | Target YTD | Floor YTD | Prev. Yr. YTD |
|-------|--|--------------|-------|------------|-----------|---------------|
| EPE02 | Value of criminal activity investigated by Trading Standards (£000s)                             | 895.3        | GREEN | 125        | 112.5     | N/a           |
| EPE03 | Value of items prevented from entering, or removed from, the market by Trading Standards (£000s) | 9,794.7      | GREEN | 100        | 90        | N/a           |
| EPE04 | Total number of businesses supported (Trading Standards & Sustainable Business Team)             | 234          | GREEN | 175        | 157       | N/a           |
| EPE15 | Income generated by EPE charged for services (£000s)   | 1,641        | AMBER | 1,770      | 1,595     | 2,561         |
| EPE16 | PROW – median number of days to resolve priority faults (rolling 12 month figure)                | 22           | GREEN | 25         | 35        | 18            |
| EPE18 | Investment secured by EPE services (Grants / EU funding) (£000s)                                 | 1,164        | AMBER | 1,264      | 1,136     | N/a           |
| EPE19 | Number of volunteer hours contributing to delivery of EPE services                               | 18,802       | GREEN | 14,670     | 13,200    | N/a           |

EPE15 - Income generated can fluctuate throughout the year, however services are confident that the year-end target will be met.

EPE18 - The target for this year is not now expected to be met as approximately £0.5m of EU funding previously secured has been rephased.

This page is intentionally left blank



**From:** Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee – 21 November 2017

**Subject:** Housing Infrastructure Fund

**Classification:** Unrestricted

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** N/A

**Electoral Division:** All Electoral Divisions

**Summary:** This report presents an outline of the Housing Infrastructure Fund launched by the Department for Communities and Local Government. It sets out the amount and type of funding available and the respective roles of Kent County Council and the district and borough councils in the bidding process. The report summarises the Forward Fund submissions made by the County Council and their prioritisation, provides an overview of the Marginal Viability Funding bids submitted in Kent and sets out the prospective timescales for funding awards.

**Recommendation:**

The Cabinet Committee is asked to note the two Forward Funding applications submitted by the County Council and their prioritisation, alongside the bids submitted by district and borough councils for Marginal Viability Funding.

## 1. Introduction

- 1.1 In early July 2017, the Department for Communities and Local Government launched a Housing Infrastructure Fund (HIF) of up to £2.3 billion to enable the delivery of up to 100,000 new homes in England. The funding is an allocation from the National Productivity Investment Fund announced in the Autumn Statement 2016. The HIF will be available over four years from 2017/18 to 2020/21 and all funding must be committed by March 2021.
- 1.2 The HIF is a government capital grant programme and funding will be awarded to local authorities on a highly competitive basis. The purposes of the Fund are to:
- Deliver new physical infrastructure to support new and existing communities;
  - Make more land available for housing in high demand areas, resulting in additional new homes that otherwise would not have been built;

- Support ambitious local authorities who want to step up their plans for growth and make a meaningful difference to overall housing supply; and
  - Enable local authorities to recycle the funding for other infrastructure projects, achieving more and delivering new homes in the future.
- 1.3 The Kent and Medway Growth and Infrastructure Framework 2015 set out the need for 158,500 new dwellings in Kent and Medway for the period to 2031, alongside the necessary infrastructure provision required to deliver high quality growth. It showed an infrastructure funding gap in excess of £2 billion. The level of strategic housing need will inevitably be higher when an update of the Framework is published in winter 2017/18. Where development has stalled on residential sites in Kent and Medway, viability issues associated with the delivery of physical infrastructure are commonly cited explanations.
- 1.4 The HIF will provide Forward Funding and Marginal Viability Funding.
- 1.5 Forward Funding is for strategic and high-impact infrastructure schemes where the Government envisages its initial funding will provide the market with confidence to make further investment and more land available for development and new homes. Bids could be up to £250 million although higher levels of funding may be awarded to exceptional bids where they are supported by a robust case for the transformational delivery of new homes. Only the uppermost tier of local authority could bid for Forward Funding. The Government made it explicit that multiple bids were permissible but could only be submitted if ranked in a priority order.
- 1.6 Forward Funding bids will follow a two stage process. Expressions of interest were required by 28 September 2017. These will now be assessed and where successful, will proceed to a second stage. At stage two, the Government will provide access to expert advice and constructive challenge. Local authorities will then develop business cases for submission in spring 2018 and following assessment, the successful schemes to be funded will be announced from summer 2018. The timing of a Government announcement has yet to be confirmed but given the duration of the second stage, it is reasonably anticipated this could follow the publication of the Autumn Budget on 22 November 2017.
- 1.7 Marginal Viability Funding is for housing sites where delivery has stalled due to the cost of providing the infrastructure. The Government intends to provide the final, or missing, piece of infrastructure funding to accelerate the allocation of new sites or unlock development on stalled sites. Bids could be up to £10 million although similar to Forward Funding, higher levels of funding may be awarded to exceptional bids. Only single and lower tier authorities could bid for Marginal Viability Funding. The Government sought evidence of a strong local commitment to delivery, including between different tiers of government. For example, where a scheme involved a new road, support from Kent County Council as Local Highway Authority was expected. Again, multiple bids were permissible but could only be submitted if ranked in a priority order.

- 1.8 Marginal Viability Funding bids will follow a one stage process. Detailed business cases were required by 28 September 2017. These will now be assessed and funding awards announced in winter 2017/18. It is reasonably anticipated that an announcement could swiftly follow the publication of the Autumn Budget on 22 November 2017.
- 1.9 The Government expectation is that the majority of the £2.3 billion will be allocated to Forward Funding schemes i.e. those submitted by the uppermost tier of local authority. However, this is dependent on the bids received and the Government has stated that it may not allocate all of the funding in a single round. In this instance, it is likely that a further round of funding would be announced in the future.

## 2. Forward Funding submissions

2.1 Following the announcement in July 2017, Kent County Council worked collaboratively with district and borough councils to develop expressions of interest for Forward Funding and bids for Marginal Viability Funding, meeting the Government criteria:

- Deliverability of the infrastructure and how this will lead to the delivery of new homes;
- Strategic approach with strong local leadership and joint working to achieve higher levels of housing growth in the local area; and
- Value for money on the basis of an economic appraisal.

2.2 In the assessment of schemes, the emphasis of the Government will be on value for money. The funding profile, geographical capacity of an area to deliver the infrastructure development and wider economic considerations may also be taken into account.

2.3 The Kent and Medway Economic Partnership and South East Local Enterprise Partnership were also engaged and both endorsed the following prioritisation and submission of two Forward Fund schemes:

### 2.4 1. Otterpool Park, Shepway

In November 2016, the Department for Communities and Local Government announced its support for Otterpool Park Garden Town, located on land broadly to the south of Junction 11 of the M20 and Westenhanger Railway Station. This followed the submission of an expression of interest by Shepway District Council for a new garden settlement comprising up to 12,000 new homes in this location, in response to the prospectus *Locally Led Garden Villages, Towns and Cities* published by the Department earlier that year.

Approximately three quarters of the land required to deliver the Garden Town are in the control of the District Council and its partner Cozumel Estates, both major local landowners. The Homes and Communities Agency is also well

advanced in discussions regarding its role as a delivery partner within Otterpool Park.

Masterplanning is well underway with the submission of an outline planning application scheduled for spring 2018. In tandem, as local planning authority, the District Council has commenced a partial review of its existing Core Strategy Local Plan 2013 to provide a sound policy basis for the determination of planning applications in this area. Officers from both Authorities continue to work collaboratively with the aspiration to deliver a positively planned, exemplar Garden Town in east Kent.

The submitted Forward Funding proposal seeks £281 million for a range of physical infrastructure including education, transport and utilities. Forward Funding will de-risk and accelerate significant housing growth in the proposed Garden Town from 2020.

## 2.5 2. Swale Transport Infrastructure

Bearing Fruits 2031: The Swale Borough Local Plan 2017 was adopted by Swale Borough Council in July 2017. The Local Plan was considered by the Planning Inspector to be capable of adoption if it included a commitment to a review due to uncertainties regarding highway infrastructure. The review is to be adopted by April 2022 and therefore the Borough Council has already started work on it.

The submitted Forward Fund proposal seeks £40 million for recognised improvements required at the A249 junctions (Grovehurst and Keycol). It also includes funds to undertake the development works for strategic transport infrastructure which was supported in principle by Swale Borough Council at its 26 July 2017 Full Council meeting. This includes the completion of the Northern Relief Road and Southern Link, Brenley Corner and A249 improvements to the M2. The transport schemes at Grovehurst and Keycol represent key infrastructure improvements enabling the delivery of over 6,000 allocated homes in the period 2022-31.

The review of the Local Plan will consider the development and infrastructure requirements for the Swale Borough beyond 2022. A new garden settlement is one option which could potentially meet significant identified housing and economic growth needs. Growth at the scale of a garden town could also enable the delivery of the strategic transport infrastructure supported by the Borough Council. As local planning authority, Swale Borough Council will test and consult upon an appropriate range of options as part of Local Plan review process.

## **3. Marginal Viability Funding submissions**

- 3.1 The Government set out its expectation that Marginal Viability Funding bids submitted by a single or lower tier authority should demonstrate a strong local commitment to delivery, including between different tiers of local government.

The appropriate Cabinet Member has endorsed the submission of each of the following 9 Marginal Viability Funding schemes, summarised accordingly:

1. Ashford Borough Council: land remediation and site assembly (circa £8.65 million)

This would support the regeneration of the former railway works site in Newtown, Ashford and deliver 350 new dwellings. The long disused site comprises brownfield land currently in private ownership and includes grade II listed locomotive sheds of approximately 300 metres in length and other associated listed railway buildings. The scheme will deliver town centre housing, restore and bring back into use the listed railway buildings and provide improved local highway infrastructure together with quality public realm, in an attractive and sustainable neighbourhood which reflects the railway heritage of the site.

2. Dover District Council: Bus Rapid Transit Infrastructure (circa £16 million)

This would support the delivery of a new rapid bus link between the planned major urban extension at Whitfield and Dover Town/ Priory Railway Station.

3. Maidstone Borough Council: site assembly and highway improvements (£9 million)

This would support the delivery of the Maidstone East Urban Civic Quarter project, led in partnership by Kent County Council and Maidstone Borough Council. The Civic Quarter is located to the north of Maidstone Town Centre, comprising three sites in the public ownership of Kent County Council, Maidstone Borough Council and Network Rail. Off-site highway network improvements and the re-provision of the existing commuter car park serving Maidstone East Railway Station would enable the delivery of approximately 640 new dwellings.

4. Shepway District Council: land remediation (circa £2.5 million)

This is to remediate a derelict site in Ship Street, Folkestone which formerly comprised a gasworks and is allocated for residential development in the Core Strategy Local Plan 2013. If the application is successful, the District Council intends to complete the purchase of the site with a view to delivering 85 new dwellings.

5. Swale Borough Council: Queenborough and Rushenden Regeneration (£3.5 million)

This is for land raising, surface water drainage and demolition works on a 25 hectare brownfield site at Queenborough and Rushenden, Isle of Sheppey. The site is owned by the Homes and Communities Agency and is allocated for major residential development in Bearing Fruits 2031: The Swale Borough Local Plan 2017. Development of this infrastructure would enable the delivery of phases 2-4 (990 new dwellings).

6. Thanet District Council: new roundabout on the A256 corridor (circa £2.5 million)

This is for the delivery of a new roundabout at the Haine Road junction with the B2050 Manston Road to enable delivery of consented residential development at EuroKent (up to 550 dwellings) and Manston Green (758 dwellings). As it submitted two applications for Marginal Viability Funding, the District Council identified this as the priority scheme.

7. Thanet District Council: Columbus Avenue Highway Extension (circa £10 million)

This proposal is identified in the emerging Thanet Transport Strategy and is necessary infrastructure to support the delivery of strategic development sites at Westgate (1,000 dwellings) and Birchington (1,000 dwellings), identified in the emerging Thanet Local Plan.

8. Tunbridge Wells Borough Council: Paddock Wood junction improvements (circa £2.1 million)

The proposed infrastructure scheme consists of junction improvements at two key locations to increase highway capacity. The improvements relate to the realignment of the B2160 Maidstone Road/ Badsell Road/ Mascalls Court Road junction and improvements to Colts Hill roundabout. These will enable the delivery of three major residential sites in Paddock Wood, comprising approximately 1,000 new dwellings. As it submitted two applications for Marginal Viability Funding, the Borough Council identified this as the priority scheme.

9. Tunbridge Wells Borough Council: Woodsgate Corner junction improvements (£2.75 million)

The proposed infrastructure scheme consists of improvements to the junction of the A264 Pembury High Street/ A228 Tonbridge Road, to the east of Tunbridge Wells Town Centre. The scheme is necessary to enable the delivery of major residential sites allocated in the emerging Local Plan which will be submitted for Examination in 2018.

#### **4. Conclusions**

4.1 Kent is an area with a demonstrable need for new housing and the Growth and Infrastructure Framework 2015 established the significant infrastructure funding challenge facing the county, particularly if growth is to be supported by necessary infrastructure provision. The HIF provided a major opportunity for local authorities to secure grant funding for infrastructure development to unlock the delivery of new homes.

4.2 Kent County Council has submitted two expressions of interest for Forward Funding. The County Council has prioritised an exceptional bid comprising

almost £300 million of physical infrastructure necessary to de-risk and accelerate growth at Otterpool Park, Shepway - a garden settlement already endorsed by the Government. Forward Funding for key transport improvements in the Swale Borough is necessary to support long term housing delivery on sites allocated in the recently adopted Local Plan. This bid also recognised the ambition for growth emerging through the Local Plan review, and significant strategic transport infrastructure opportunities which are supported locally.

- 4.3 Kent districts and boroughs have also submitted 9 Marginal Viability Funding bids endorsed by the appropriate Cabinet Member. Each application for Marginal Viability Funding supports the development of physical infrastructure to enable the delivery of residential development on sites allocated in adopted and emerging Local Plans.
- 4.4 An announcement on the successful expressions of interest for Forward Funding has yet to be confirmed but is reasonably anticipated to follow the publication of the Autumn Budget on 22 November 2017. Marginal Viability Funding awards will be announced in winter 2017/18. Similarly, it is reasonably anticipated that an announcement could swiftly follow the publication of the Autumn Budget.

## 5. Recommendation

- 5.1 The Growth, Economic Development and Communities Cabinet Committee is asked to note the two Forward Funding applications submitted by the County Council and their prioritisation, alongside the bids submitted by district and borough councils for Marginal Viability Funding.

## 6. Background Documents

- 6.1 Department for Communities and Local Government (2017) *Housing Infrastructure Fund: Supporting Document for Forward Funding*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/625525/HIF Forum Funding supporting document accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625525/HIF_Forum_Funding_supporting_document_accessible.pdf)

- 6.2 Department for Communities and Local Government (2017) *Housing Infrastructure Fund: Supporting Document for Marginal Viability*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/625520/HIF Marginal Viability supporting document accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625520/HIF_Marginal_Viability_supporting_document_accessible.pdf)

## **7. Contact details**

Report Author:

- Tom Marchant, Head of Strategic Planning and Policy
- 03000 413412
- tom.marchant@kent.gov.uk

Relevant Director:

- Katie Stewart, Environment Planning and Enforcement
- 03000 418827
- katie.stewart@kent.gov.uk



**By:** Mark Dance, Cabinet Member for Economic Development  
 Barbara Cooper, Corporate Director - Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee –  
 21 November 2017

**Subject:** Inward Investment Services - Contract Extension (SS1560)

**Key Decision:** No

**Classification:** Unrestricted

**Past Pathway of Paper:** None

**Future Pathway of Paper:** For decision by the Leader

**Electoral Division:** All Electoral Divisions

**Summary:** The inward investment services contract with Locate in Kent (LIK) was awarded by the County Council in August 2016 following an OJEU compliant process. The three year contract runs until August 2019; under the terms of the contract, this can be extended by a further 12 months.

Following the recent resignation of its chief executive, the board of Locate in Kent has asked if the County Council would agree to an extension to its current contract to August 2020. This would enable Locate in Kent to undertake a recruitment process now to attract potential high-calibre candidates with the prospect of a minimum two year contract.

**Recommendation:** The Cabinet Committee is asked to consider and endorse, or to make recommendations to the Leader of the Council on the proposed decision to extend the inward investment services contract with Locate in Kent for a further twelve months to August 2020.

## 1. Introduction

- 1.1** The inward investment services contract with Locate in Kent (LIK) was awarded by the County Council in August 2016 following an OJEU compliant process. The current three year contract runs until August 2019; under the terms of the contract, this can be extended by a further 12 months.
- 1.2** The annual value of the contract is £1.1m funded by contributions from KCC (£511,000), Medway Council (£70,000) and the European Structural Investment Framework (£527,000), which is administered by the Department for Communities and Local Government (DCLG).

## 2. Main features of contract with Locate in Kent

- 2.1** Since the new contract started in August 2016, Locate in Kent has undertaken an in-depth review of its delivery capacity and capability. This has resulted in a thorough overhaul of the organisation, a restructuring that saw the departure of a number of staff and the subsequent recruitment of additional staff with specialist sector-based, marketing and business development skills. Locate in Kent has also strengthened significantly its links with other business support organisations in the county, and with the Medway and the Kent district councils as well as the inward investment teams at the Department for International Trade.
- 2.2** The contract requires Locate in Kent to deliver 120 new job-creating projects over three years. Contract progress is reviewed monthly with Locate in Kent, and up to the end of September 2017 there were 61 successful new projects (exceeding the cumulative target projection by 14 projects and accounting for 51% of the three year target by the end of year one). These projects will create 1,879 new jobs over the period to August 2019 which is a 39% achievement on the three year target of 4,800 new jobs. There is also a pipeline of potential new projects which, if successful, will deliver 3,000 additional new jobs.
- 2.3** Under the terms of its funding agreement with DCLG, the County Council submits quarterly monitoring reports which provide regular statements about progress against agreed outputs, which are consistent with the targets set out in the contract between KCC and Locate in Kent. Officers have had favourable feedback from DCLG about the performance of the inward investment services provided by Locate in Kent.

### **3. Looking to the future**

- 3.1** Locate in Kent is well placed to make an increasingly significant contribution to the future economic development of Kent and Medway because it focuses on delivering new jobs which would otherwise be lost to the County. Furthermore, officers are currently in discussion with DCLG about the possibility of securing a funding extension, potentially for up to two years, under the European Structural Investment Framework. We hope to be clearer about this early next year.
- 3.2** Following the recent resignation of its chief executive, the board of Locate in Kent has indicated that it wishes to undertake a recruitment process as soon as possible so that a new chief executive can be in post by spring 2018. In order to be able to attract the best possible candidates with the prospect of a minimum two year contract, the board has asked if the County Council would agree to an extension, now, to its current inward investment services contract to August 2020.

### **4. Financial implications**

- 4.1** The value of the County Council's new inward investment services contract with Locate in Kent for the period August 2016 to August 2019 is £1,108,443 per annum. One year's extension, from August 2019 to August 2020, would cost £511,000 and this is included in the draft MTFP.
- 4.2** Medway Council has indicated it would support an extension of its contribution for another year. Currently, because of uncertainties about the future of European

funding, it is not possible to say definitively what the DCLG/EU contribution to the inward investment contract would be if it was extended beyond August 2019 but we anticipate renewal funding at the current rate (£527,000 pa).

## **5. Legal implications**

- 5.1** An extension of the contract is envisaged under the terms of the current contract and would be implemented by KCC Procurement Team.
- 5.2** It is proposed that the contract extension would be signed by the Corporate Director for Growth, Environment and Transport under Officers' Delegated Powers.

## **6. Equalities implications**

- 6.1** In accordance with the current inward investment services contract, the extended contract with Locate in Kent would contain provisions for ensuring that the County Council's equalities and diversity policies are adhered to. Locate in Kent has its own equalities and diversity standards which are consistent with those of the County Council.

## **7. Conclusion**

- 7.1** This report shows that Locate in Kent continues to make an increasingly significant contribution to the economic development of Kent and Medway. With the resignation of its current chief executive, and to enable Locate in Kent to attract the best possible candidate with the prospect of a minimum two year contract, an extension to the current inward investment contract to August 2020 would help to maintain the momentum that has been achieved over the past year.

## **8. Recommendation**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Leader of the Council on the proposed decision to extend the inward investment services contract with Locate in Kent for a further twelve months to August 2020.

## **Background Documents - None**

### **Contact Details**

Report author: David Hughes  
Head of Business and Enterprise  
Telephone number: 07917 6319120  
Email: [dave.hughes@kent.gov.uk](mailto:dave.hughes@kent.gov.uk)

Relevant director: David Smith  
Director of Economic Development  
Telephone number: 03000 417176  
Email: [david.smith2@kent.gov.uk](mailto:david.smith2@kent.gov.uk)

This page is intentionally left blank

**From:** Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director for Growth, Environment & Transport

**To:** Growth, Economic Development & Communities Cabinet Committee – 21 November 2017

**Subject:** **An Enterprise and Productivity Strategy for Kent**

**Classification:** Unrestricted

**Past pathway of paper:** N/A

**Future Pathway of paper:** N/A

**Electoral divisions:** All Electoral Divisions

**Summary:** There is currently no agreed strategy for improving Kent's overall standard of living which specifically aims to improve enterprise and productivity and to put in place measures that over the long term can significantly enhance the standard of living across Kent. This report sets out a plan of work to develop an Enterprise and Productivity Strategy for Kent and Medway so that partners can work together across the County to improve the standard of living of Kent's communities.

**Recommendation:**

The Growth, Economic Development and Communities Cabinet Committee is asked to note the proposal to develop an Enterprise and Productivity strategy for Kent and make further suggestions to the Cabinet Member for Economic Development.

**1. Introduction**

- 1.1 The standard of living of those living and working in Kent and Medway will for the most part be determined by the national economic picture. There are however no reliable long-term forecasts for the economic performance of the UK nor is there common agreement on what drives improvements in enterprise and productivity which underpin economic success. Several other counties and some towns are working on local economic plans. This note sets out ideas on what a long-term enterprise and productivity strategy for Kent and Medway might cover and a timetable for its preparation.
- 1.2 The 2015 Growth and Infrastructure Framework for Kent and Medway is being refreshed: this will provide a picture of housing and infrastructure requirements based on forecasts of population for Kent and Medway and for each district in the county. These population forecasts and consequential housing needs will be projected to 2031; the refreshed GIF will also suggest different growth scenarios for up to 2050. An enterprise and productivity strategy can take these as its starting point.
- 1.3 Kent County Council, Kent's district and borough councils and Medway Council have adopted a range of policies and strategies but there is no agreed long-term vision of how we can achieve significant improvements in Kent's standard of living over the next thirty years.

## **2. The context**

- 2.1 The Government and Bank of England have recently published papers considering the UK's economic performance and proposed measures to improve national enterprise and productivity.
- 2.2 In particular, the Department for Business, Energy and Industrial Strategy issued a consultative Green Paper earlier this year and have promised a White Paper alongside the November 2017 Budget. The independent National Infrastructure Commission published its final report on 1 November proposing an ambitious plan for strengthening the institutional foundations for delivering this strategy. And the Thames Gateway Growth Commission whose time horizon is 2017 – 2050 will shortly publish an interim report with ideas for the Thames Growth Corridor – which includes several Kent districts.
- 2.3 Recent economic studies have looked at the importance of local factors which influence local standards of living. They have concluded that a locally agreed and delivered plan can significantly improve productivity (defined as the output per person employed in the local area).
- 2.4 Local Enterprise Partnerships have also published Local Economic Plans: SELEP is refreshing its 2015 plan with a view to having the new version agreed in 2018.
- 2.5 The Greater London Authority will shortly publish its draft Economic Plan which will have implications for Kent. The outcome of the Brexit negotiations will also impact on Kent.

## **3. The evidence basis for developing the strategy for Kent**

- 3.1 Statistics show that communities in areas with higher levels of enterprise and productivity benefit from better standards of living, but this needs testing and analysing as to how this applies to Kent and Medway where there are wide disparities across all social and economic indicators. The national Index of Multiple Deprivation is most commonly used to measure social and economic welfare but it ranks local places by weaknesses rather than their economic potential. The work on the strategy should start with a robust analysis of the economic and social characteristics of different areas in Kent.
- 3.2 “Standard of Living” can be measured in many ways: currently, the Office of National Statistics uses gross national product per person. A recent essay competition with a prize of £125,000 asked economists to propose a better way to measure the standard of living. Entrants were asked how to factor new developments such as the digital economy into quantifiable economic activity. The aim was to consider how to include social well-being, levels of creativity and entrepreneurship into official statistics. The prize winner suggested an approach based on combining measures of physical assets, natural capital, intellectual property, social and institutional capital and non-financial capital. The judging panel observed that “reported productivity in the UK is very weak, but that might be because we can't measure new changes to our economy based on technological services like Uber and fast food delivery”. Using concepts like these would help make a Kent enterprise and productivity strategy more relevant to Kent's people and businesses.
- 3.3 National economic and social policies appear to have the biggest impact on local standards of living but differences between local levels of the availability of skills,

access to finance and business support, transport infrastructure, adoption of cost-saving and quality-improving innovation and technology, and success of business enterprise are shown to be closely associated with indicators of prosperity and deprivation.

- 3.4 A joint report published in October by Nesta (the innovation based think-tank) and SAGE (a cloud computing financial support company) shows there is considerable disparity between regional and local levels of income per head and productivity. This report gathered data at local authority level – in contrast to Office of National Statistics data which concentrate on national analysis. By analysing data at a local level, the researchers showed that regional variations are deeply entrenched, and that the differences between neighbouring areas can be very significant. For example, the performance of companies in Kent broken down by local authority, shows that Kent and Medway have many of the highest performing areas as well as some of the weakest. (The **Annex to this Cabinet Committee paper** summarises the report's data for the 12 Kent Districts and Medway Council.)

#### **4 Timescale**

- 4.1 Kent County Council has adopted a number of strategies and policies covering different time-frames (such as the “Local Transport Plan 4: Delivering Growth without Gridlock 2016 – 2031, the Kent Environment Strategy – a strategy for Environment, Health & Economy 2015 – 2020” and a Cultural Strategy: “Inspirational Creativity: Transforming Lives Every Day, our cultural ambition for Kent 2017 – 2027”). But there is no agreed strategy for improving Kent's overall standard of living which looks at the wider economic picture.
- 4.2 The planning horizon for major infrastructure projects frequently takes 20 – 30 years, if not longer. Crossrail, for example, was first proposed in the 1940s, officially advanced in the 1970s and 80s, cancelled in the 1990s before being reinstated in the early 2000s – although without any funding commitment – and it will be another 12 months (December 2018) before trains begin to run on the new Elizabeth line to Abbey Wood: we are of course hoping that it will be extended to Ebbsfleet in due course.
- 4.3 Setting a time horizon of 2050 with specific actions to deliver a step change improvement in Kent's standard of living would enable the strategy to set out a framework for investment in infrastructure, technology and skills which require long term planning, consistency of delivery and a widely supported vision for Kent's future. The strategy also needs to be sufficiently flexible to adapt to the changing national framework: there are likely to be at least half a dozen General Elections before 2050.

#### **5 Ambit**

- 5.1 There are four dimensions to developing an enterprise and productivity strategy, each of which is not mutually exclusive of the others:
- a. places (eg urban/rural/coastal, expanding towns/new communities);
  - b. themes (eg skills, finance, infrastructure, connectivity);
  - c. sectors (eg manufacturing, logistics, culture, tourism and leisure): and
  - d. new technologies (eg digital innovations in transport, access to services).

These will need to be explored in detail as part of the analysis phase of the work developing the strategy.

## 6. Engagement Plan and Timetable

- 6.1 The Kent and Medway Economic Partnership (KMEP) provides the main forum for discussions between Kent's local authorities and businesses on economic issues. KMEP should therefore be fully involved in the development and implementation of Kent's enterprise and productivity strategy. This engagement should be extended to the three sub-county partnerships as well as bilateral co-ordination with Medway Council.
- 6.2 Kent's Universities and schools should also be fully engaged, not least because the strategy must cover the skills needed by the next generation of Kent's workforce. One way of directly engaging with students at school and university would be to offer a prize for an essay on the topic of a vision for Kent in 2050 and how we should achieve it through improving enterprise and productivity.
- 6.3 Kent County Council also has many stake-holders who have a direct interest in developing such a strategy: the twelve districts, Locate in Kent (whose mission is to attract new investors), Visit Kent (which helps promote and develop Kent as a visitor destination), Produced in Kent (which promotes Kent's food) and our key partners who deliver Kent's cultural strategy. The skills, health and social care sectors should also have a part in forming the strategy as will government departments including the Department for Communities and Local Government and the Department for Business, Environment and Industrial Strategy. They can be invited to contribute to a series of 'round table' discussions on relevant topics which can be initiated by background presentations from relevant bodies such as the Bank of England, Design South East and the National Infrastructure Commission. We should engage the business community through the Business Advisory Board and engaging Kent's Chamber of Commerce, as well as other membership organisations such as the IOD and FSB.
- 6.4 To help develop the strategy, we should engage with stake-holders on a robust definition of the outcomes sought and the ways to achieve them.
- 6.5 The development of the strategy should encompass not only the national policies of Government but draw on the work already being undertaken by District Authorities as well as academic work in Universities.
- 6.6 The timescale should allow for the issues to be widely debated and understood: the Cabinet Committee should have several opportunities to review progress and provide guidance.
- 6.7 The emerging proposals for the strategy will be presented to the Cabinet Committee early next year before the start of drafting the strategy itself, with a view to public consultation in the Autumn of 2018 and formal adoption by the Council later in the year.

## 7. Recommendation

- |  |
|--|
| 7.1 The Growth, Economic Development and Communities Cabinet Committee is asked to note the proposal to develop Enterprise and Productivity strategy for Kent and make further suggestions to the Cabinet Member for Economic Development. |
|--|

## 8. Contact details

### Report Author

David Smith, Director of Economic Development

03000 417176

[David.Smith2@kent.gov.uk](mailto:David.Smith2@kent.gov.uk)



**NESTA/SAGE report on local productivity and entrepreneurship**

The key findings of this report published in October 2017 were:

1. Small and Medium-sized Enterprises (SMEs) have disproportionately driven job creation: since 2010, SMEs have created 73% of new private sector jobs. An SME is defined as a business with fewer than 250 employees.
2. There are very strong regional differences across the UK, and the local variation in productivity is huge. The most productive local authority in the UK produces 26 times more turnover per worker than the least productive.
3. The belief that long business survival rates are a sign of a thriving SME landscape is misplaced: some of the most productive areas of the UK have the lowest survival rates, and vice versa.
4. Digital infrastructure without digital skills and tools will not boost productivity: equipping SMEs with basic digital capabilities would result in a significant productivity gain: 38 per cent of SMEs lack digital skills.
5. Our solution does not suit all areas: the report recommends a local, data-based strategy, involving local businesses in policy decisions.
6. The report also recommends making business support as accessible as possible: SMEs are “both time and cash poor”. It also recommends that local authorities increase the number of SME suppliers – “procurement is a powerful way to support local businesses”.
7. The data for Kent and Medway 2013 – 2016 in the report is summarised in the following Area tables. (The local authorities are ranked in each table by the number of SMEs in each district.)

## Enterprise and Productivity

| District                      | SME Nos.                           | SME job Nos.                        | Earnings £                      | SME turnover £m | Av prod'y £m | 5 yr survival % | Prod'y % 2013-1 |
|-------------------------------|------------------------------------|-------------------------------------|---------------------------------|-----------------|--------------|-----------------|-----------------|
| Dover                         | 3,275                              | 19,381                              | 25,254                          | 1.7             | 86,274       | 38.5            | +4.6%           |
| Shepway                       | 3,595                              | 18,606                              | 24,527                          | 1.5             | 80,323       | 40.3            | +13.1%          |
| Gravesham                     | 3,610                              | 17,253                              | 29,623                          | 1.8             | 103,980      | 40.0            | (-6.2%)         |
| Thanet                        | 3,655                              | 22,657                              | 24,150                          | 1.7             | 73,296       | 41.6            | +2.3%           |
| Dartford                      | 3,900                              | 22,376                              | 32,233                          | 3.7             | 164,876      | 33.8            | +21.5%          |
| Swale                         | 4,595                              | 26,359                              | 27,501                          | 2.7             | 101,553      | 47.4            | +9.2%           |
| Canterbury                    | 5,130                              | 28,120                              | 27,949                          | 2.4             | 84,995       | 40.8            | +6.7%           |
| Tonbridge & Malling           | 5,405                              | 22,768                              | 33,372                          | 8.0             | 287,980      | 45.9            | +94.9%          |
| Ashford                       | 5,750                              | 27,483                              | 27,795                          | 3.0             | 110,032      | 38.2            | +14.0%          |
| Tunbridge Wells               | 6,205                              | 29,648                              | 29,962                          | 4.0             | 132,419      | 42.6            | (-9.6%)         |
| Sevenoaks                     | 6,495                              | 31,026                              | 30,989                          | 4.5             | 144,511      | 47.1            | +9.4%           |
| Maidstone                     | 7,020                              | 37,808                              | 29,592                          | 4.0             | 105,529      | 44.5            | +11.3%          |
| Medway                        | 7,935                              | 40,245                              | 29,503                          | 4.4             | 107,914      | 45.0            | +16.3           |
| Data sources:                 |                                    |                                     |                                 |                 |              |                 |                 |
| Office of National Statistics | Longitudinal Small Business Survey | Interdepartmental Business Register | Global Entrepreneurship Monitor |                 |              |                 |                 |
|                               |                                    |                                     |                                 |                 |              |                 |                 |

## Small & Medium Sized Enterprises in Kent: largest sectors by turnover

|                     |                             |                                |                                 |                                |  |
|---------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------------|--|
| Dover               | Transport & Storage £292k   | Production. £196k              | Retail. £169k                   | Construction. £164k            |  |
| Shepway             | Construction. £236k         | Health. £148k                  | Transport & Storage £145k       | Production. £141k              |  |
| Gravesham           | Production. £503k           | Construction. £238k            | Wholesale. £149k                | Business admin & support £136k |  |
| Thanet              | Construction. £239k         | Production. £222k              | Retail. £162k                   | Agriculture. £141k             |  |
| Dartford            | Motor trades. £731k         | Wholesale. £673k               | Construction. £554k             | Production. £454k              |  |
| Swale               | Production. £535k           | Construction. £401k            | Wholesale. £397                 | Agriculture. £162k             |  |
| Canterbury          | Construction. £388k         | Professional services. £223k   | Health. £211k                   | Wholesale. £210k               |  |
| Tonbridge & Malling | Wholesale. £821k            | Professional services £749k    | Construction. £586k             | Production. £373k              |  |
| Ashford             | Wholesale. £829k            | Construction. £323k            | Business admin & services £296k | Production. £274k              |  |
| Tunbridge Wells     | Professional services £654k | Wholesale. £589k               | Business admin & services £466k | Construction. £274k            |  |
| Sevenoaks           | Wholesale. £779k            | Business admin & support £677k | Construction. £675k             | Professional services £452k    |  |
| Maidstone           | Wholesale. £723k            | Construction. £614k            | Business admin & services £412k | Production. £405k              |  |
| Medway              | Construction. £774k         | Production. £574k              | Wholesale. £522k                | Finance & insurance £338k      |  |

## Small & Medium Sized Enterprises in Kent: largest sectors by jobs

|                        |  |   |   |   |  |
|------------------------|--|---|---|---|--|
| Dover                  | Health.<br>2240                                  | Accommodation &<br>food services.1949               | Production.<br>1709                           | Construction.<br>1598                         |  |
| Shepway                | Health.<br>2969                                  | Accommodation &<br>food services.<br>2101           | Construction.<br>1631                         | Production.<br>1474                           |  |
| Gravesham              | Construction.<br>2142                            | Business support.<br>& admin services.<br>1929      | Health.<br>1761                               | Accommodation &<br>food services.<br>1732     |  |
| Thanet                 | Health.<br>4091                                  | Education.<br>2921                                  | Production.<br>2338                           | Accommodation &<br>food services.<br>2187     |  |
| Dartford               | Construction.<br>2947                            | Production.<br>2668                                 | Business services<br>& admin. 2482            | Health.<br>2303                               |  |
| Swale                  | Production.<br>4036                              | Health.<br>2794                                     | Construction.<br>2473                         | Accommodation &<br>food services.<br>2121     |  |
| Canterbury             | Health.<br>4326                                  | Accommodation &<br>food services.<br>3369           | Professional<br>services. 3085                | Construction.<br>2418                         |  |
| Tonbridge &<br>Malling | Professional,<br>scientific &<br>technical. 3528 | Construction.<br>3005                               | Production.<br>2611                           | Business support &<br>admin services.<br>2445 |  |
| Ashford                | Production.<br>2867                              | Professional,<br>scientific &<br>professional. 2769 | Business support &<br>admin services.<br>2578 | Health.<br>2516                               |  |
| Tunbridge Wells        | Professional<br>services.<br>4360                | Business support &<br>admin services.<br>2843       | Health.<br>2785                               | Education.<br>2535                            |  |
| Sevenoaks              | Professional<br>services.<br>4012                | Construction.<br>3401                               | Business support &<br>admin<br>services.3140  | Production.<br>2620                           |  |
| Maidstone              | Business support &<br>admin services.<br>4406    | Construction.<br>4098                               | Professional<br>services.<br>3896             | Health.<br>3540                               |  |
| Medway                 | Construction.<br>5051                            | Health.<br>4168                                     | Business support &<br>admin services.<br>4095 | Production.<br>3970                           |  |

**From:** Mike Hill Cabinet Member for Community and Regulatory Services  
Barbara Cooper Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee – 21 November 2017

**Decision No:** 17/00119

**Subject:** **Javelin Way Development**

**Classification:** Unrestricted

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** For Cabinet Member Decision

**Electoral Division:** Ashford Central

**Summary:**

The County Council owns 2.32 acres of surplus land adjacent to the Ashford Highways depot in Ashford. The Jasmin Vardimon Company (JVC) has identified this site as the best location outside London for a new Creative Laboratory and has been successful in securing a £3m grant from Arts Council England (ACE).

ACE is seeking a match funding contribution from KCC and the proposal will be to fund this contribution from the sale and disposal of an adjacent industrial enabling development.

**Recommendation:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community and Regulatory Service on the proposed decision to:

Enter into legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Jasmin Vardimon Company.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the construction of the enabling development and the Jasmin Vardimon Creative Laboratory.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the sale and/or lease of the enabling development units and/or the Jasmin Vardimon Creative Laboratory.

Permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

## **1. Introduction**

- 1.1 Jasmin Vardimon Company (JVC) is seeking new premises having outgrown its current location at the Stour Centre in Ashford. JVC has been successful with a bid to Arts Council England (ACE) for a capital project of £6m to be funded by a grant of £3m from ACE and match funding to be found by KCC. ACE has awarded JVC National Portfolio Organisation status, which guarantees ACE revenue funding for at least 4 years.
- 1.2 The new JVC Creative Laboratory is one of the “Big 8” regeneration projects in Ashford identified in the KCC Ashford District Deal. The Javelin Way development consists of two developments: the JVC facility and adjacent commercial enabling development of 29 units.
- 1.3 Units on the enabling development are anticipated to generate a 20% return to KCC. This return will be used to fund the construction of the JVC facility. Ashford Borough Council (ABC) has undertaken to assist with site planning. KCC would retain the freehold of the Creative Laboratory with JVC taking a 25 year lease.
- 1.4 Completion of this project will result in the following outcomes:
  - 1.4.1 Delivery of commercial units creating a stable income stream and or capital receipts to KCC.
  - 1.4.2 Economies of scale by bringing forward both the Creative Laboratory and commercial units in tandem.
  - 1.4.3 Maximised land value through seeking planning and building on the current site.
  - 1.4.4 New production and education spaces that assure JVC long term financial sustainability and delivers 45 jobs and freelance opportunities in Ashford. ;
  - 1.4.5 Create a facility that grows JVC’s resilience and sustainability in order to lower their reliance on grants from KCC and ABC.

## **2. Financial Implications**

- 2.1 Funding for the project comes from £3m grant from ACE, £180k of banked S106 funds and sales from the enabling development. In order to forward fund the delivery of the project, KCC is seeking to secure a loan from SELEP of up to £1.597m at 2% interest below the Public Works Loan Board maturity rate with the remainder coming from an internal KCC loan from the Property and Infrastructure Fund.
- 2.2 Were the project to fail to meet their agreed repayment schedule, the interest charged by SELEP will default back to the market rate.

### **3. Policy Framework**

3.1 The project is in line with KCC strategic objectives including:

- Securing Jasmin Vardimon within Kent which will ensure Kent's residents benefit from greater social and cultural opportunities. Having considered alternative locations across Kent, JVC believe that this option provides the best possible location to deliver the service."
- Delivery of both the enabling industrial units and the Jasmin Vardimon Creative Laboratory will ensure training opportunities for young people, create new jobs and support Kent's business growth.

### **4. The Report**

4.1 Options which were considered are as follows:

- Option 1: JVC remains, in the short term, at their current location within the Stour Centre. The space requirements of the Company cannot be accommodated within the limitations of the building. The long term plans of Ashford Borough Council are expanding the leisure and recreation offer at the Centre so JVC would have to relocate. If JVC relocates, it would be outside Kent and the KCC land at Javelin Way would continue to incur revenue maintenance costs until sold.
- Option 2: Build the enabling development and the Creative Laboratory. JVC element would be funded by both ACE, SELEP and KCC (covered by capital receipts from enabling development). As the capital receipts from the industrial units will be back loaded forward funding is required. The outcome would see KCC retaining the JVC freehold. This outcome delivers a viable community asset; brings forward the enabling development; minimises development costs to KCC while delivering economies of scale; ensures maximised capital receipts from the site; secures a long term revenue stream, increase business rates for both ABC/KCC and secures an internationally recognised dance company for Kent.
- Option 3: Sale of the surplus land at Javelin Way: the balance of the match funding would be a call on KCC's capital budget.

3.2 Option 2 is being pursued as it delivers the greatest benefits to KCC.

3.3 KCC would enter into a 25 year lease with JVC. Should JVC become insolvent at any time, previous experience would see KCC and ACE negotiate on a final outcome for the facility to the benefit of the partners.

3.4 There are no equality issues as part of this project and a full Equality Impact Assessment is available upon request.

3.5 The recommendation will see the Director of Infrastructure being authorised to enter into contract for the build and sale of the enabling development units including any leases.

## 5. Conclusions

- 5.1 The opportunity has arisen to deliver a Creative Laboratory and industrial units in Kent which would support the growth agenda, enhance Kent's cultural offer, create jobs and training opportunities in Ashford. The project is seeking to be self-funding with up front funding coming from KCC and SELEP. The outcome would deliver a top 8 priority for Ashford Borough Council and be in line with a number of KCC strategies.

## 6. Recommendation

### **Recommendation:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community and Regulatory Services on the proposed decision as shown at Appendix A to:

Enter into legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Jasmin Vardimon Company.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the construction of the enabling development and the Jasmin Vardimon Creative Laboratory.

Authorise the Director of Infrastructure to enter into all necessary legal agreements for the sale and/or lease of the enabling development units and/or the Jasmin Vardimon Creative Laboratory.

Permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

## 7. Background Documents

- 7.1 Appendix A: Proposed Record of Decision

ACE application:

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=SD5260&ID=5260&RPID=18481401>

Options layouts:

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=SD5259&ID=5259&RPID=18481403>

## 8. Contact details

### **Report Author:**

Jonathan White

Projects and Operation Manager

Tel: 03000 417198 / 07988375334

Email: [Jonathan.white@kent.gov.uk](mailto:Jonathan.white@kent.gov.uk)



**Relevant Director:**

David Smith

Director of Economic Development

Tel: 03000 417167

Email: [David.smith2@kent.gov.uk](mailto:David.smith2@kent.gov.uk)

This page is intentionally left blank

## KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

### DECISION TAKEN BY

**Michael Hill,**

**Cabinet Member for Community and Regulatory Services**

### DECISION NO:

17/00119

**For publication**

### **Key decision\***

Yes –

**Subject: Javelin Way development**

### **Decision:**

As Cabinet Member for Community and Regulatory Service I agree to:

- Enter into legal agreements including, but not limited to, a Memorandum of Understanding and Collaboration Agreement with Jasmin Vardimon Company.
- Authorise the Director of Infrastructure to enter into all necessary legal agreements for the construction of the enabling development and the Jasmin Vardimon Creative Laboratory.
- Authorise the Director of Infrastructure to enter into all necessary legal agreements for the sale and/or lease of the enabling development units and/or the Jasmin Vardimon Creative Laboratory.
- Permit the project subject to KCC's VAT partial liability exemption position not being breached or in breach.

### **Reason(s) for decision:**

This project is a new build to commercial specification on one third of a two acre site on Javelin Way, Henwood Industrial Estate, Ashford, to be fitted out with the appropriate level of technical equipment to service the needs of the Jasmin Vardimon Company. This will enable planned business growth to be achieved through a new business plan, the core of which will see the production of a large scale touring show every two years and expand the number of students enrolling on their education programmes. The proposed development will look to incorporate an enabling development to deliver part of the funding for the capital costs of the project which will help create new jobs and support Kent business growth.

Jasmin Vardimon Company has submitted a bid for £3m ACE funding and KCC will need to enter into a collaboration agreement with them in order to secure the funding. KCC will also need to enter into a number of contractual agreements to develop and deliver the site along with longer terms leases.

### **Cabinet Committee recommendations and other consultation:**

### **Any alternatives considered:**

- JVC remains at their current location within the Stour Centre however the space requirements of the Company cannot be accommodated within the limitations of the building. If JVC has to

relocate. If JVC relocates, it would be outside Kent and the KCC land at Javelin Way would continue to incur revenue maintenance costs until sold.

- Sale of the surplus land at Javelin Way: the balance of the match funding would be a call on KCC's capital budget.

**Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:**

.....  
signed

.....  
date

Name:

From: Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director for Growth, Environment & Transport

To: Growth, Economic Development & Communities Cabinet Committee – 21 November 2017

Decision No: 17/00110

Subject: **Reinvestment of Growing Places Fund**

Classification: Unrestricted

Future pathway: Decision by the Cabinet Member for Economic Development

Electoral Division: All Electoral Divisions

**Summary:**

The South East Local Enterprise Partnership (SELEP) has launched a call for project proposals that will help unlock economic growth in local areas. SELEP is making £9.317m of Growing Places Funding (GPF) available to reinvest as capital loans across Kent, Medway, East Sussex, Essex, Thurrock and Southend.

This paper summarises the SELEP process for awarding the GPF, and provides details of the Kent and Medway bids.

**Recommendations:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision for Kent County Council to:

- Note the Growing Places Fund (GPF) bid submissions to the South East Local Enterprise Partnership made by the Kent & Medway Economic Partnership.
- Act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by SELEP to receive GPF funding.
- Delegate to the Section 151 Officer the authority to sign on KCC's behalf a loan agreement or equivalent, where this is required to draw down funds following business case approval.

**1. Introduction**

1.1. The Growing Places Fund (GPF) was established by the Government in 2011 to promote economic growth, create jobs and build houses in England. The funding was distributed to local enterprise partnerships<sup>1</sup> to allocate to local projects accordingly to locally-set investment criteria. GPF is a revolving capital loan scheme – with repayments reinvested in new local projects.

---

<sup>1</sup> Local Enterprise Partnerships (LEPs) are partnerships between local authority leaders, business leaders and the HE and FE sector. LEPs were set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

- 1.2. The South East Local Enterprise Partnership (SELEP)<sup>2</sup> has invested £47.5m in local infrastructure projects through previous rounds of GPF loans. A list of these previous loans agreed with Kent and Medway partners can be found in appendix A.
- 1.3. Repayments are now being made on these previous loans, creating the opportunity for SELEP to make further GPF loan investments. Based on the repayment schedule for the existing GPF loans, the funding available for reinvestment across SELEP is expected to be £9.317m between 2017/18 and 2019/20. The profile of available GPF is anticipated to be:

| <b>GPF available for reinvestment</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>Total</b>      |
|---------------------------------------|----------------|----------------|----------------|-------------------|
|                                       | £2,673,000     | £3,190,000     | £3,454,000     | <b>£9,317,000</b> |

## **2. Interest Rate**

- 2.1 The SELEP Strategic Board has agreed that an interest rate will be applied on future GPF loans. This will be set at 2% below the PWLB (Public Works Loan Board) maturity rate on the date when the loan agreement is signed. Under the present market conditions, this would mean a 0% interest rate.
- 2.2 The Board has also agreed that there will be a penalty for late repayment. Where projects fail to meet their agreed repayment schedule, the interest will default back to the market rate.

## **3. The SELEP process for awarding Growing Places Funding to new projects**

- 3.1 On 9<sup>th</sup> June 2017, the SELEP Strategic Board met to formulate the Growing Places Fund reinvestment criteria. They agreed the following:
  - a) The minimum loan value an applicant can apply for is £250k.
  - b) The maximum loan value an applicant can apply for is £2million.
  - c) The application must be for a capital, not revenue, loan.
  - d) The capital loan should unlock economic growth, create jobs and/or build houses.
  - e) The project must align with SELEP's strategic objectives.
  - f) Applicants must be able to repay the loan by 31<sup>st</sup> March 2022, to allow further reinvestment in new projects after that date.
  - g) Applications must have local match-funding of 30%.
  - h) The project must provide value for money (i.e. the expected benefits must exceed the project costs).
  - i) The loan must comply with legal requirements.
  - j) The project must be deliverable and viable.
- 3.2 The SELEP Strategic Board agreed a three-stage process to determine which projects would be awarded a GPF capital loan:
  - Stage 1 – Each SELEP federated board<sup>3</sup> advertises the loan opportunity and sifts the applications using the criteria shown in paragraph 3.1.
  - Stage 2 – The SELEP Strategic Board prioritises the projects to receive GPF funding.
  - Stage 3 – The SELEP Accountability Board formally approves the drawdown of funding.

<sup>2</sup> The South East Local Enterprise Partnership covers Kent, Medway, Essex, Thurrock, Southend, and East Sussex. The Leader of Kent County Council is a member of the SELEP Strategic Board and SELEP Accountability Board.

<sup>3</sup> The SELEP federated boards are: the Kent and Medway Economic Partnership (KMEP), Team East Sussex (TES), Greater Essex Business Board (GEBB), and Opportunity South Essex.

Each of these three stages is explained in more depth below:

### **Stage 1 – Local Federated Boards select applications up to the value of £4.6585m**

3.3 The Kent and Medway Economic Partnership (KMEP - a federated board of SELEP) distributed information on the GPF loan opportunity to Kent County Council, Medway Council, the 12 District Councils, the business community, and to the Higher Education and Further Education sectors. Information on how to apply was also displayed publicly on the KMEP website. In response, KMEP received 7 expressions of interest. The projects (in alphabetical order) were:

- a) Beach Street Regeneration in Herne Bay - £2m of GPF sought.
- b) Fitted Rigging House in Chatham Historic Dockyard - £0.8m of GPF sought
- c) Innovation Park in the North Kent Enterprise Zone - £0.65m of GPF sought
- d) Javelin Way Development in Ashford - £1.597m of GPF sought
- e) Programme of No Use Empty Commercial projects - £1m of GPF sought
- f) Programme of projects in Dover, Thanet and Shepway, led by EKSDC - £1.75m of GPF sought
- g) Stonelees Park Golf Club Hotel - £2m of GPF sought.

**Total amount sought from 7 bids = £9.8m**

3.4 SELEP stipulated that each federated board could only apply for up to 50% of the total value of funding available (i.e. the total value of projects that KMEP could endorse was £4,658,500).

3.5 KMEP met on 7<sup>th</sup> September 2017 to consider the applications. The Partnership considered each project in relation to the reinvestment criteria shown in paragraph 3.1. KMEP concluded that the following applications most closely met the SELEP reinvestment criteria:

- Fitted Rigging House in Chatham Historic Dockyard - £0.8m of GPF sought
- Innovation Park in the North Kent Enterprise Zone - £0.65m of GPF sought
- Javelin Way Development in Ashford - £1.597m of GPF sought
- Programme of No Use Empty Commercial projects - £1m of GPF sought

3.6 KMEP recommended the business cases for these 4 schemes be developed further and submitted to the SELEP Strategic Board. A description of these 4 schemes can be found in appendix 2.

### **Stage 2 – The SELEP Strategic Board prioritises the projects to receive GPF funding.**

3.7 The second stage of the selection process is for the SELEP Strategic Board to prioritise the schemes that should receive GPF funding from across the wider region. This prioritisation is being completed by electronic sign-off.

3.8 The total value of bids received by SELEP from its four federated areas was £14.7m against the £9.3m available.

3.9 The KMEP Strategic Programme Manager will be able to verbally update the Cabinet Committee on the latest position at the meeting.

### **Stage 3 – The SELEP Accountability Board formally approve the drawdown of funding**

3.10 At the end of stage 2, GPF is ringfenced for the schemes selected by the SELEP Strategic Board. However, a requirement of the Government's Assurance Framework is that the SELEP Accountability Board formally approves each scheme's Outline Business Case and agrees it complies with all legal and 'green book' requirements before funding is transferred from the SELEP account to the scheme promoter's account. The SELEP Accountability Board meeting is the third and final stage of the process to award funding.

#### **4. Financial & Legal Implications**

4.1 Kent County Council is the scheme promoter for the No Use Empty Commercial programme and the Javelin Way Development. Both schemes are project managed by KCC officers within the Economic Development Division. The Fitted Rigging House and Innovation Park schemes both are within the geographical boundary of Medway Council.

4.2 Kent County Council must enter into a loan agreement with SELEP (via Essex County Council which is SELEP's accountable body) for each of its scheme awarded GPF by SELEP. This loan agreement will give Kent County Council the legal and financial responsibility for ensuring the proper use and administration of the funding in accordance with the loan agreement. Kent County Council will be responsible for the repayment of the loan to the SELEP, plus any interest charge incurred as a penalty for late payment.

#### **5. Recommendations**

5.1 The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision for Kent County Council to:

- Note the Growing Places Fund bid submissions to SELEP proposed by the Kent & Medway Economic Partnership.
- Act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by the SELEP to receive GPF funding.
- Delegate to the Section 151 Officer the authority to sign on KCC's behalf a loan agreement or equivalent, where this is required to draw down funds following business case approval.

#### **6. Appendices**

- Appendix A: GPF schemes that have previously been given GPF loans
- Appendix B: Description of KMEP-endorsed GPF bids
- Appendix C: Proposed Record of Decision



## 7. Contact details

### **Report Author**

Sarah Nurden, Kent & Medway Economic Partnership's Strategic Programme Manager

Tel: 03000 416 518

Email: [Sarah.nurden@kent.gov.uk](mailto:Sarah.nurden@kent.gov.uk)

### **Relevant Director:**

David Smith, Director of Economic Development

Tel: 03000 417176

Email: [David.Smith2@kent.gov.uk](mailto:David.Smith2@kent.gov.uk)

## Appendix A: List of SELEP's existing GPF loan agreements within Kent and Medway

| Name of project     | Lead upper-tier/ unitary authority | Description   | GPF allocation |
|---------------------|------------------------------------|---|----------------|
| Discovery Park      | Kent                               | Investment in Discovery Park Enterprise Zone in Sandwich.   | £5.3m          |
| Live Margate        | Kent                               | A self-sustaining cycle of investment and reinvestment that will regenerate the housing market in Margate through the development of existing homes dominated by poor quality, multi occupied, poorly managed private homes and replacing it with a quality balanced mixed tenure offer.  | £5m            |
| Workspace Kent      | Kent                               | Contribution to a challenge fund co-financed by Kent County Council and GPF, to which private developers and organisations in the public and third sectors can apply for loan funding matched with other sources of investment to bring forward business premises that would otherwise not be developed in the current economic circumstances | £1.5m          |
| Chatham Waterfront  | Medway                             | The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for Chatham Waterfront Development.   | £2.999m        |
| Rochester Riverside | Medway                             | The project will deliver key infrastructure investment including the construction of the next phase on the principle access road, public space and site gateways.   | £4.41m         |

## Appendix 2: KMEP-endorsed GPF bids (in alphabetical order)

**Project Name:** Fitted Rigging House  
**Lead Authority:** Medway Council  
**Project Location:** The Fitted Rigging House in Chatham Historic Dockyard, ME4 4TE  
**GPF Requested:** £800,000

**Direct outputs:** 300 new jobs  
3,473 sqm of new floorspace, of which 1,672 sqm is pre-let  
200 new students

Chatham Historic Dockyard Trust's proposal is to convert the Fitted Rigging House (a large Grade 1 former industrial building) into office accommodation for businesses and into public benefit spaces. This will provide 3,473sqm of office space, of which 1,672sqm is pre-let to two expanding businesses (Dovetail Games and Ward Security). This will grow 300 jobs in Medway.

The conversion will also:

- enable the University of Kent Business School to expand into a vacated area to provide facilities for post-graduate research;
- provide a Volunteer Centre of Excellence including training spaces, welfare facilities and social areas for the Trust's 300 volunteers; and
- provide the Trust with a more sustainable income.

---

**Project Name:** Innovation Park at North Kent Enterprise Zone  
**Lead Authority:** Medway Council  
**Project Location:** Innovation Centre Medway, Maidstone Road, Chatham  
**GPF Requested:** £650,000

**Direct outputs:** At least 375 new jobs  
4,500 sqm of new floorspace

Medway Council's proposal relates to the Innovation Park's southern site in the North Kent Enterprise Zone. GPF will fund enabling works on the southern site (Access road with shared footpath, cycle route, lighting and signage; Utility ducting/service strip; Fencing around site boundary; and Demolition of unused building).

The site will be actively marketed during construction of enabling works to attract companies looking to build their own premises on the site.

The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors. The proposal seeks to attract at least 375 new jobs on the site, and support creation of 4,500 sqm of commercial space. Medway is eager to start this development now, so businesses will occupy the site by 2021/22, prior to the end of the Enterprise Zone period.

---

**Project Name:** Javelin Way Development  
**Lead Authority:** Kent County Council  
**Project Location:** Javelin Way, Henwood Industrial Estate, Ashford, TN24 8DE  
**GPF Requested:** £1,597,000

**Direct outputs:** 175 full-time equivalent jobs  
21 freelance and contractor opportunities  
4,680 sqm of new industrial floorspace  
1,228 sqm creative laboratory

Kent County Council (KCC) proposes to develop the Javelin Way site for employment use, with the intention of achieving two strategic objectives:

- First, it aims to develop Ashford's creative economy, in the context of the town's rapid growth as a population and employment centre, and in view of the advantages provided by its excellent connectivity to London and continental Europe. Specifically, it aims to build on existing and planned investment by the Jasmin Vardimon Company to establish a permanent presence in Ashford by a leading cultural enterprise to support the further growth of the sector in the town and, more generally, in Kent.
- Second, it aims to enable sustainable, high-quality employment creation. It aims to do this in two ways: first, through the direct development of employment floorspace at Javelin Way (including the Jasmin Vardimon Company facility); second, through the contribution to the revitalisation of the Henwood estate that development at Javelin Way will help to promote.

To deliver these strategic objectives, Kent County Council proposes to develop the Javelin Way site for employment use, according to a proposed scheme consisting of two main elements:

- First, the construction of a '**Creative Laboratory**' **production space**, to be leased from KCC by the Jasmin Vardimon Company
- Second, the development of **29 light industrial and office units**, for sale and/or lease by KCC, suitable for additional creative businesses as well as the general market.

It is proposed that a 1,228 sqm GEA building will be occupied by a 'Creative Laboratory' operated by the Jasmin Vardimon Company (JVC). JVC will also use the facility as the Company's headquarters. Effectively, JVC will be an 'anchor tenant' within the Javelin Way development.

Significant time-limited match funding is available from Arts Council England if the GPF capital loan is secured.

---

**Programme Name:** No Use Empty Commercial (NUE C)  
**Lead Authority:** Kent County Council  
**Project Location:** Projects will cover the breadth of Kent  
**GPF Requested:** £1,000,000

**Direct outputs:** 18 new jobs  
706 sqm of new commercial floorspace  
28 derelict homes brought back into use to house 56 residents  
8 derelict commercial units brought back into use

NUE C will create more commercial space, particularly for small firms by returning long-term empty commercial properties back into use to assist with economic growth attracting new business rates, creating or safeguarding jobs. Previously NUE has provided short-term secured loans to assist projects which have space over the shops' but to date have not

provided assistance in relation to returning vacant shops back into use or being able to support the refurbishment of existing empty commercial units/spaces to provide commercial space.

This proposal will: -

- Provide a loan fund offering short-term secured loans (up to 3 years) to bring 8 long-term empty commercial properties back into use for commercial and or mixed commercial/residential use
- Deliver 28 residential units to house 56 residents.
- Generate circa 700 sqm of commercial space.
- support economic growth to help attract greater investment in to areas, such as town centres across Kent, boost trade for local shops and businesses, and improve people's sense of security in areas which have been tarnished making them more desirable to visit, live or work in.

Appendix 3: Proposed Record of Decision

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Mr Mark Dance, Cabinet Member for Economic Development

DECISION NO:

17/00110

For publication

Key decision: YES

Growing Places Fund Bid Submission

**Decision:**

As Cabinet Member for Economic Development, I propose to agree:

1. To note the GPF submission to SELEP proposed by the Kent & Medway Economic Partnership.
2. That KCC act as the accountable body for projects within Kent's geographical boundaries that are selected by the SELEP to receive GPF loan funding.
3. To delegate to the Section 151 the authority to sign on KCC's behalf a loan agreement or equivalent, where this is required to draw down funds following business case approval.

**Governance:**

The Executive Scheme of Delegation for Officers set out in Appendix 2 Part 4 of the Constitution (and the directorate schemes of sub-delegation made thereunder) provides the governance pathway for the implementation of this decision by officers as it assumes at 1.9 of the scheme that once a Member-level decision has been taken, the implementation of that decision will normally be delegated to officers, so that multiple Member decisions are not required in respect of the same matter.

In this instance, the Corporate Director of Growth Environment and Transport will be the lead officer seeking to ensure that all such steps as are necessary to implement the decision are undertaken.

**Reason(s) for decision:**

The decision is required to enable a loan agreement and other necessary contractual or quasi-legal documents to be entered into, so that funding may be secured from the fourth tranche of Growing Places Funding.

**Cabinet Committee recommendations and other consultation:**

The matter will be considered by the Growth, Economic Development and Communities Cabinet Committee on 21 November 2017.

**Any alternatives considered and rejected:**

The proposed schemes have been considered by the Kent and Medway Economic Partnership in line with SELEP practice and alternative proposals were considered and rejected at that stage.

**Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:**

None

.....  
signed

.....  
date

**From:** Mark Dance, Cabinet Member for Economic Development  
Barbara Cooper, Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development and Communities Cabinet Committee  
21 November 2017

**Subject:** RGF Programmes Monitoring Report

**Classification:** Unrestricted

**Summary:** This report summarises the results of KCC's monitoring returns of the three Regional Growth Funded programmes for the period 1st April to 30th June 2017.

- Escalate (West Kent and parts of East Sussex)
- Expansion East Kent (East Kent and Ashford)
- Tiger (North Kent and Thurrock)

Jobs created has increased by 84 to 2,590 since the last report 22nd March 2017. The number of safeguarded jobs has fallen by 14 to 1,338.

Out of the 190 companies being reported on during the monitoring period, 140 (74%) returns have been flagged as Green or Amber.

£13,121,606 (93%) of previous loans have been repaid and these funds are being recycled under the new scheme "Kent and Medway Business Fund".

In this quarter, £747,600 has been recovered from two companies through legal action.

£3,539,909 (6.3%) is the unrecovered total amount of defrayed funds.

£1,613,728 is non recoverable.

£1,406,234 has been recovered

£1,926,181 is still being pursued.

**Recommendation:** The Growth, Economic Development and Communities Cabinet Committee is asked to note the report.

## 1. Background Information

1.1 Since November 2011 the Department for Business, Energy and Industrial Strategy (BEIS), has allocated £55 million to KCC for three schemes:-

- Expansion East Kent (£35 million)
- Tiger (£14.5 million)
- Escalate (£5.5 million)

1.2 These schemes provided grants, loans and equity investments for companies with investment plans that would lead to job creation. For the majority of the companies the loan finance was provided at 0% interest, with a repayment period of between 5 and 7 years. The schemes have also allocated grants and equity investments.

## 2. Update on all RGF Schemes

- 2.1 As of 31 March 2017, KCC has committed £56.3 million (£55m plus accrued interest and recyclable funds) across the three RGF schemes since April 2012.
- 2.2 These companies have agreements to create 4,616 jobs and will leverage in over £88 million from private sector investment. The overall job target is 6,910 jobs to be created or safeguarded and this includes the period of recyclable funds i.e up to March 2021. This report covers the monitoring period 1 April 2017 to 30 June 2017. All companies are required to complete a monitoring return as part of the loan agreement and must include employment contracts and copies of payroll as evidence for jobs created and safeguarded. The cumulative total of jobs that have been created or safeguarded is 3,928 as of 30 June 2017.

| <b>Job Status</b>       | <b>Target to Date</b> | <b>Actuals to Date</b> | <b>Percentage against Target</b> |
|-------------------------|-----------------------|------------------------|----------------------------------|
| <b>Jobs Created</b>     | 3,124                 | 2,590                  | 83% (Green)                      |
| <b>Jobs Safeguarded</b> | 1,491                 | 1,338                  | 90% (Green)                      |

- 2.3 Additionally, within this monitoring period, 1 loan to the value of £200,000 has been reported as bad debt. The cumulative total of the companies who have defaulted on their loans is as follows:-

| <b>Bad Debts Previously Reported</b> | <b>No. of Companies</b> | <b>Percentage of No. of Companies Supported</b> | <b>Loan Value</b> | <b>Percentage of Overall Defrayed Funds</b><br>£56,383,859 |
|--------------------------------------|-------------------------|---|-------------------|--|
| <b>Total Bad Debt</b>                | 31                      | 12.6%   | £4,946,143        | 8.8%   |
| <b>Recovered Debt</b>                |                         |   | £1,406,234        | 2.5%   |
| <b>Outstanding Bad Debt</b>          |                         |   | £3,539,909        | 6.3%   |

## 3. Detailed Cumulative Summary of Monitoring

- 3.1 As part of the loan agreement, each company is contracted to provide quarterly monitoring returns. These returns are in arrears of the previous quarter, and upon receipt and internal validation, one of the following RAG ratings is applied:-
- Green Risk Status: full return received and no outstanding issues.
  - Amber Risk Status: partial return received and/or issues re contracted milestones.
  - Red Risk Status: non return received and non-achievement of key milestones; loan repayment, job outcomes and/or delay to planned objectives.
- 3.2 The following table provides a headline summary of actual performance against contractual target for all three RGF programmes for the period of April 2017 to June 2017. Out of the 190 companies being reported on during the monitoring period, 140 (74%) returns have been flagged as Green or Amber. This equates to a monetary loan value of £32,625,182.



| No. of companies in monitoring reporting cycle | No. of companies reporting on | No. of companies in Green Risk Status | No. of companies in Amber Risk Status | No. of companies in Red Risk Status |
|--|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| 247  | 190                           | 110 (58%)                             | 30 (16%)                              | 50 (26%)                            |
| <b>Loan Values</b>                             |                               |                                       |                                       |                                     |
| £56,217,862                                    | £41,110,590                   | £27,560,294                           | £5,064,888                            | £8,485,408                          |

#### 4. Details of Red Risk Status

4.1 The table below provides details on 50 monitoring returns (26%) that have been flagged as **RED** risk status. The red risk status falls into three categories as follows:-

| Breakdown of Red Risk Status<br><b>26%</b> | Category A<br>Non Payment of Debt | Category B<br>Nil Return of Monitoring Form | Category C<br>Significant Shortfall on Milestones / Targets |
|--|-----------------------------------|---|---|
| No of Companies                            | 1*                                | 10 (5%)                                     | 40 (21%)  |
| Combined Loan Value                        | £200,000                          | £769,800                                    | £7,715,608  |
| Actions to be taken                        | Companies in administration       | Follow up emails and site visits            | Companies under review or variations of contract offered    |

\* Bad debt company not included in number of Red Rag rated companies in 3.2

4.2 The cumulative total of the companies who have defaulted on the loans is as follows:-

| Cumulative Bad Debts     | No. of Companies | Percentage of No. of Companies Supported | Loan Value | Loan Recovered | Percentage of Overall Defrayed Funds |
|--------------------------|------------------|--|------------|----------------|--------------------------------------|
| Previous Bad Debt        | 30               | 12.1%                                    | £4,746,143 | £1,351,234     | £56,383,859                          |
| Current Quarter Bad Debt | 1                | 0.4%                                     | £200,000   | £55,000        |                                      |
| <b>Total Bad Debt</b>    | 31               | 12.6%                                    | £4,946,143 | £1,406,234     | 6.3%                                 |

\* Based on unrecovered bad debt

4.3 KCC Internal Audit and Kent Invicta Law have been advised if any of the companies have gone into liquidation or in the process of going into administration. They are working with the RGF Manager to recover the maximum amount of loan value.

## 5. Profile for Repayments of Funds (as at 31 March 2017)

5.1 There are two loan repayment periods within each financial year i.e. September and March. The cumulative estimated amount to be received by March 2017 was £14,182,548. The actual amount received to date is £13,121,606, which represents an achievement of 93%. The table below provides details of the repayment profile.

| 2013/14<br>Target and<br>Actual       | 2014/15<br>Target and Actual               | 2015/16<br>Target and Actual             | 2016/17<br>Target and Actual             | TOTAL TO DATE  |
|---------------------------------------|--|--|--|--|
| Target= £338,548<br>Actual = £338,548 | Target = £1,445,707<br>Actual = £1,445,711 | Target= £5,064,034<br>Actual= £5,011,274 | Target= £7,334,259<br>Actual= £6,326,073 | <b>Target=£14,182,548<br/>Actual=£13,121,606<br/>93%</b> |
| 2017/18<br>Target                     | 2018/19<br>Target                          | 2019/20<br>Target                        | 2020/21<br>Target                        | Total Repayment<br>due by 2021                           |
| £8,122,359                            | £7,126,328                                 | £5,309,066                               | £4,576,046                               | <b>£39,316,347</b>                                       |

## 6. Delivery of Schemes

6.1 Annex 1 provides full details on the monitoring returns of the **Expansion East Kent programme**.

6.2 Annex 2 provides full details on the monitoring returns of the **Tiger programme**.

6.3 Annex 3 provides full details on the monitoring returns of the **Escalate programme**.

## 7. Recommendation

### Recommendation:

**The Growth, Economic Development and Communities Cabinet Committee** is asked to note the report.

## 8. Contact details

### Report Author

- Jacqui Ward
- Strategic Programme Manager (Business Investment)
- Tel: 03000 417191
- [jacqui.ward@kent.gov.uk](mailto:jacqui.ward@kent.gov.uk)

### Relevant Director:

- David Smith
- Director of Economic Development
- Tel: 03000 417176
- [David.smith2@kent.gov.uk](mailto:David.smith2@kent.gov.uk)

## Expansion East Kent Programme

### Background Information

The Expansion East Kent programme was launched in December 2012. As at 30 September 2016, KCC had committed £36.2m to 153 companies within the local authority areas of Ashford, Canterbury, Dover, Shepway and Thanet. The main programme was suspended on 1 February 2015 and is no longer open to new applicants. The Small Business Boost programme was closed in January 2016.

This annex provides full details of the funding awarded to companies within the East Kent and Ashford area from the Expansion East Kent and Small Business Boost programmes.

### 1. Funding Awarded

1.1 The table below shows total funding committed by way of grants, loans and equity investments, a breakdown per local authority, the number of jobs to be created and private sector investment (matched funding).

| <b>Expansion East Kent &amp; Small Business Boost Scheme</b> | <b>Funds Awarded<br/>£</b> | <b>Private Investment<br/>£</b> | <b>No. of Companies</b> | <b>No. of Jobs to be Created</b> | <b>Saved Posts</b> | <b>Total No. of Jobs Created/<br/>Safeguarded Posts</b> |
|--|----------------------------|---------------------------------|-------------------------|----------------------------------|--------------------|---|
| Ashford  | 250,500                    | 115,578                         | 9                       | 25                               | 6                  | 31  |
| Canterbury   | 8,714,680                  | 9,181,719                       | 44                      | 1,264                            | 89                 | 1,353   |
| Dover  | 15,131,357                 | 28,377,539                      | 34                      | 688                              | 246                | 934   |
| Shepway  | 6,263,468                  | 10,075,900                      | 25                      | 487                              | 130                | 617   |
| Thanet   | 6,026,256                  | 8,901,781                       | 41                      | 415                              | 270                | 685   |
| <b>Total</b>   | <b>£36,386,261</b>         | <b>£56,652,517</b>              | <b>153</b>              | <b>2,879</b>                     | <b>741</b>         | <b>3,620</b>  |

|                         |             |             |     |       |     |       |
|-------------------------|-------------|-------------|-----|-------|-----|-------|
| Total Committed Funding | £36,386,261 | £56,652,517 | 153 | 2,879 | 741 | 3,620 |
|-------------------------|-------------|-------------|-----|-------|-----|-------|

1.2 Within the Expansion East Kent scheme, there is:-

- (a) an equity programme whereby the Investment Advisory Board agreed to ring fence and commit £5 million. All the funds for equity investments have been committed;
- (b) a small loan scheme, Small Business Boost, whereby the Investment Advisory Board agreed to ring fence £1 million, from the original £35m. All the original allocation for Small Business Boost has been committed and defrayed. An additional allocation (£602,648), from the accrued interest and recycled loan repayments, as directed by the Investment Advisory Board, has been made available. Total amount defrayed is £1,602,648.

## 2. Defrayment of Funds (to include additional allocation to Small Business Boost)

- 2.1 Each company applying to the programme provides a profile for the drawdown of funds. This drawdown would be dependent on the needs of the business and the company's plans for growth. The profile for the defrayment of funds is as follows:-

|   |               |             |
|---|---------------|-------------|
| Funds committed and defrayed as at 30 June 2017 | = £36,213,820 | £36,386,261 |
| Estimated funds remaining to be defrayed        | £172,441      |             |

## 3. Profile for Repayments of Funds (as at 31 March 2017)

- 3.1 All repayment of loans and returns on equity investments will be reinvested into future financial support programmes for businesses. The table below provides details on the repayment profile. The total amount to be repaid is £21,738,786. Sixteen companies have been awarded equity investments.
- 3.2 There are two loan repayment periods per financial year i.e. March and September. The cumulative estimated amount to be repaid by March 2017 was £7,814,620. The actual amount repaid to date is £7,014,788, which represented an achievement of 90%. The target figure is subject to change due to contract variations, applicants repaying their loan in full, earlier than anticipated, to allow early release of KCC charges and companies failing to repay loans.

| 2013/14<br>Target and<br>Actual    | 2014/15<br>Target and<br>Actual    | 2015/16<br>Target and<br>Actual        | 2016/17<br>Target and<br>Actual        | TOTALS TO<br>DATE                                      |
|------------------------------------|------------------------------------|--|--|--|
| Target=£335,294<br>Actual=£335,294 | Target=£820,663<br>Actual=£820,667 | Target=£2,368,160<br>Actual=£2,331,152 | Target=£4,290,503<br>Actual=£3,527,675 | <b>Target=£7,814,620<br/>Actual=£7,014,788<br/>90%</b> |
| 2017/18<br>Target                  | 2018/19<br>Target                  | 2019/20<br>Target                      | 2020/21<br>Target                      | Total Repayment<br>due by 2021                         |
| £4,524,280                         | £3,523,976                         | £2,913,540                             | £2,962,370                             | <b>£21,738,786</b>                                     |

## 4. Monitoring Returns (April 2017 to June 2017)

- 4.1 The monitoring returns for the Expansion East Kent programme for the period April 2017 to June 2017 have resulted in 68% being allocated Green status (performance fully met as per loan agreement) or Amber status (slight slippage but in the main delivery of job outputs as per loan agreement) as follows:-

| No. of companies           | No. of companies reporting on | No. of companies in Green Risk Status | No. of Companies in Amber Risk Status | No. of Companies in Red Risk Status |
|----------------------------|-------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| 158                        | 114*                          | 61 (54%)                              | 16 (14%)                              | 37 (32%)                            |
| <b>Combined Loan Value</b> |                               |                                       |                                       |                                     |
| £36,213,820                | £24,782,337                   | £15,595,169                           | £2,772,468                            | £6,414,700                          |

\* Figures exclude companies not in the monitoring cycle. These companies have repaid their loans, have completed their monitoring obligations, are bad debt or are reported on as part of an equity portfolio.

It is important to note there are three categories with the **RED** status – see table below, which represents data from the current quarter (April 2017 to June 2017):

| <b>Breakdown of Red Risk Status</b><br><b>31%</b> | <b>Category A</b><br><b>Non Payment of Debt</b> | <b>Category B</b><br><b>Nil Return of Monitoring Form</b> | <b>Category C</b><br><b>Significant Shortfall on Milestones / Targets</b> |
|---|---|---|---|
| No of Companies                                   | 0   | 10  | 27  |
| Combined Loan Value                               |   | £769,800  | £5,644,900  |
| Actions to be taken                               |   | Follow up email and site visits                           | Companies under review and/or subject to a contract variation             |

The action taken on companies in **RED** Status is as follows:-

|                     |   |
|---------------------|---|
| <b>Category A =</b> | N/A   |
| Action taken:       |   |
| <b>Category B =</b> | 10 companies - nil return of monitoring form  |
| Action taken:       | All 11 companies have received follow up emails and site visits have been undertaken, scheduled or planned.   |
| <b>Category C =</b> | 27 companies - significant delays in the following areas:-<br><br>11 companies: <ul style="list-style-type: none"> <li>Job creation significantly behind, loss of staff/poor retention, and/or no employment contracts to sufficiently evidence job creation.</li> </ul> 11 companies: <ul style="list-style-type: none"> <li>Issues with loan repayments being met.</li> </ul> 4 companies: <ul style="list-style-type: none"> <li>Delays in project delivery, contract variation could be required.</li> </ul> 1 company: <ul style="list-style-type: none"> <li>Currently dormant</li> </ul> |

|               |   |
|---------------|---|
| Action taken: | Discussions and/or site visits have been undertaken and/or are scheduled to ascertain any business issues. Where necessary contract variations have been undertaken or will be. |
|---------------|---|

This shows the cumulative position of companies not repaying debt: -

| Cumulative Bad Debts     | No. of Companies | Percentage No. of Companies Supported | Loan Value | Loan Recovered | Percentage of Overall Committed Funds<br>£36,608,019 |
|--------------------------|------------------|---------------------------------------|------------|----------------|--|
| Previously reported      | 20               | 13.1%                                 | £3,158,930 | £1,084,338     | 5.7%*  |
| Current Quarter Bad Debt | 0                | 0%                                    | £0         | £0             |  |
| <b>Total Bad Debt</b>    | 20               | 13.1%                                 | £3,158,930 | £1,084,338     |  |

\* Based on unrecovered bad debt

4.2 The creating and safeguarding of contractual job targets have been verified from the monitoring returns covering the period April to June 2017. The evidence gathered includes employment contracts and payroll reports. The full details of jobs created and safeguarded are below:-

| Job Status   | Target to Date | Actuals to Date | Percentage against Target |
|--|----------------|-----------------|---------------------------|
| <b>Jobs Created</b>                                  | 2,156          | 1,700           | 79% (Green)               |
| <b>Jobs Safeguarded<br/>(includes Indirect Jobs)</b> | 740            | 669             | 70% (Green)               |

## Tiger Programme

### Background Information

The Tiger programme for North Kent and Thurrock was launched in March 2013. As at 31 March 2015, KCC has committed £14,490,000 to 49 companies within Dartford, Gravesham, Medway, Swale and Thurrock. Two companies were awarded equity investments (£1,424,072). The programme is no longer open to new applicants.

This annex provides summarises the loans made to companies within the North Kent and Thurrock area from the Tiger programme.

### 1. Funding Awarded

1.1 The table below shows the total funding committed by way of loans and equity investments, a breakdown per local authority, the number of jobs to be created and private sector investment (match funding).

| <b>Tiger Programme</b> | <b>Funding per Local Authority<br/>£ m</b> | <b>Private Investment<br/>£ m</b> | <b>No. of Companies</b> | <b>No. of Jobs Created</b> | <b>Saved Posts</b> | <b>Total No. of Jobs</b> |
|------------------------|--|-----------------------------------|-------------------------|----------------------------|--------------------|--------------------------|
| Dartford               | 2,009,115                                  | 1,451,428                         | 9                       | 145                        | 52                 | 197                      |
| Gravesham              | 881,062                                    | 843,375                           | 5                       | 44                         | 62                 | 106                      |
| Medway                 | 3,813,621                                  | 3,420,834                         | 14                      | 222                        | 168                | 390                      |
| Swale                  | 6,544,502                                  | 16,370,958                        | 16                      | 344                        | 254                | 598                      |
| Thurrock               | 1,241,700                                  | 3,066,356                         | 5                       | 40                         | 41                 | 81                       |
| <b>Total</b>           | <b>14,490,000</b>                          | <b>25,152,951</b>                 | <b>49</b>               | <b>795</b>                 | <b>577</b>         | <b>1,372</b>             |

|                                |                    |                    |           |            |            |              |
|--------------------------------|--------------------|--------------------|-----------|------------|------------|--------------|
| <b>Total Funding Committed</b> | <b>£14,490,000</b> | <b>£25,152,951</b> | <b>49</b> | <b>795</b> | <b>577</b> | <b>1,372</b> |
|--------------------------------|--------------------|--------------------|-----------|------------|------------|--------------|

### 2. Defrayment of Funds

2.1 Every company applying to the programme provided a profile for the drawdown of funds. This drawdown would be dependent on the needs of the business and the company's plans for growth. The profile for the defrayment of funds was as follows:

|   |                    |
|---|--------------------|
| <b>Funds defrayed as of close of programme March 2015</b> | <b>£14,490,000</b> |
|---|--------------------|

### 3. Profile for Repayments of Funds (as at 31 March 2017)

3.1 All repayment of loans and returns on equity investments will be reinvested into future financial support programmes, for businesses. The table below provides details on the repayment profile. The total amount to be repaid is £12,478,413.

3.2 There are two loan repayment periods per financial year i.e. March and September. The cumulative estimated amount to be repaid by March 2017 was £4,495,743. The actual amount repaid as of 31<sup>st</sup> March is £4,344,715, which represented 97% of the amount due. The target figure is subject to change owing to contract variations, applicants repaying their loan in full earlier than anticipated to allow early release of KCC charges and companies going into administration where the full value of the loan will not be recovered.

| 2013/14<br>Target and<br>Actual | 2014/15<br>Target and<br>Actual    | 2015/16<br>Target and Actual           | 2016/17<br>Target and Actual              | TOTALS TO DATE   |
|---------------------------------|------------------------------------|--|---|--|
| Target=£3,254<br>Actual=£3,254  | Target=£493,284<br>Actual=£493,284 | Target=£1,875,523<br>Actual=£1,866,023 | Target= £2,123,682<br>Actual = £1,982,154 | <b>Target=£4,495,743<br/>Actual=£4,344,715<br/>97%</b> |
| 2017/18<br>Target               | 2018/19<br>Target                  | 2019/20<br>Target                      | 2020/21<br>Target                         | Total Repayment<br>due by 2021                         |
| £2,480,275                      | £2,491,313                         | £1,701,580                             | £1,309,502                                | <b>£12,478,413</b>                                     |

### 4. Monitoring Returns (April 2017 to June 2017)

4.1 The monitoring returns for the Tiger programme for the period April 2017 to June 2017, have resulted in 88% being flagged Green status (performance fully met as per loan agreement), or Amber status (slight slippage but in the main delivery of job outputs as per loan agreement), as follows:

| No. of<br>companies | No. of<br>companies<br>in monitoring<br>reporting<br>cycle | No: of<br>companies<br>reporting<br>on | No. of<br>companies in<br>Green Risk<br>Status | No. of<br>companies<br>in Amber<br>Risk Status | No. of<br>companies in<br>Red Risk<br>Status |
|---------------------|--|--|--|--|--|
| 49                  | 41<br>6 bad debts<br>2 loans repaid                        | 41                                     | 31 (76%)                                       | 5 (12%)  | 5 (12%)                                      |
| Combined Loan Value |  |  |  |  |  |
| <b>£14,490,000</b>  | <b>£11,766,653</b>   | <b>£11,766,653</b>                     | <b>£9,494,581</b>                              | <b>£845,204</b>                                | <b>£1,426,868</b>                            |



It is important to note there are three categories within the **RED** status – see table below:-

| <b>Breakdown of Red Risk Status<br/>12%</b> | <b>Category A<br/>Non Payment of Debt</b> | <b>Category B<br/>Nil Return of Monitoring Form</b> | <b>Category C<br/>Significant Shortfall on Milestones / Targets</b> |
|---|---|---|---|
| No: of Companies                            | 1*  | 0   | 5   |
| Combined loan value                         | £200,000                                  |   | £1,426,868  |
| Actions to be taken                         | Company in administration                 |   | Companies under review  |

\* Bad debt company not included in number of Red Rag rated companies in 4.1

The action taken on 5 (12%) companies in **Red** Status is as follows:

|                      |  |
|----------------------|--|
| <b>Category A =</b>  | 1 company – bad debt*  |
| <i>Action taken:</i> | Repayment is being sought through legal channels.  |
| <b>Category B =</b>  | N/a  |
| <i>Action taken:</i> |  |
| <b>Category C =</b>  | 4 companies:<br><ul style="list-style-type: none"> <li>Significant delays in the areas of recruitment.</li> </ul> 1 company:<br><ul style="list-style-type: none"> <li>Issues with loan repayments.</li> </ul> |
| <i>Action taken:</i> | All 5 companies are being closely monitored with regard to achievement of outputs, site visits have been arranged and/or scheduled and contract variation discussions are taking place.                        |

\* Excluded from figures in 4.1 due to being bad debt.

| <b>Cumulative Bad Debts</b> | <b>No. of Companies</b> | <b>Percentage Number of Companies Supported</b> | <b>Loan Value</b> | <b>Loan Recovered</b> | <b>Percentage of Overall Defrayed Funds<br/>£14,490,000</b> |
|-----------------------------|-------------------------|---|-------------------|-----------------------|---|
| Previous Bad Debt           | 5                       | 10.2%   | £891,213          | £107,795              | 6.4%*   |
| Current Quarter Bad Debt    | 1                       | 2%  | £200,000          | £55,000               |   |
| Total Bad Debt              | 6                       | 12.2%   | £1,091,213        | £162,795              |   |

\* Based on unrecovered bad debt

4.2 The creating and safeguarding of contractual job targets have been verified from the monitoring returns covering the period April 2017 to June 2017. The evidence gathered includes employment contracts and payroll reports. The full details of jobs created and safeguarded are below:-

| <b>Job Status</b>       | <b>Target to Date</b> | <b>Actuals to Date</b> | <b>Percentage against Target</b> |
|-------------------------|-----------------------|------------------------|----------------------------------|
| <b>Jobs Created</b>     | 621                   | 630                    | 101% (Green)                     |
| <b>Jobs Safeguarded</b> | 578                   | Page 73 522            | 90% (Green)                      |

## Escalate

### Background Information

The Escalate Programme for West Kent and parts of East Sussex was launched in December 2013. As at 31 March 2015, KCC has committed £5,510,000 to 40 companies and the programme is no longer accepting any new applications.

This annex provides full details of the funding awarded to companies within the districts of West Kent and three districts of East Sussex from the Escalate programme.

## 1. Funding Awarded

1.1 The table below shows total funding committed by way of loans and equity investments, a breakdown per local authority, the number of jobs to be created and private sector investment (matched funding).

| Escalate Programme  | Funding per Local Authority<br>£ | Private Investment<br>£ | No. of Companies | No. of Jobs to be created | Saved Posts  | Total No. of Jobs |
|---------------------|----------------------------------|-------------------------|------------------|---------------------------|--------------|-------------------|
| Maidstone           | 2,720,588                        | 3,058,832               | 12               | 158.56                    | 108.67       | 267.23            |
| Rother              | 136,250                          | 136,250                 | 3                | 18.27                     | 3            | 21.27             |
| Sevenoaks           | 594,000                          | 710,472                 | 6                | 33.6                      | 18.27        | 51.87             |
| Tonbridge & Malling | 698,510                          | 697,798                 | 7                | 55.37                     | 18           | 73.37             |
| Tunbridge Wells     | 1,158,250                        | 1,397,250               | 11               | 151.11                    | 21.26        | 172.37            |
| Wealden             | 200,000                          | 200,000                 | 1                | 6                         | 4            | 10                |
| <b>Total</b>        | <b>**5,507,598</b>               | <b>6,200,602</b>        | <b>40</b>        | <b>422.91</b>             | <b>173.2</b> | <b>596.11</b>     |

\*Hastings Funding total is zero

\*\*£10,000 uncommitted within Tiger and £2,402 contribution to marketing

|                                |                   |                   |           |            |            |            |
|--------------------------------|-------------------|-------------------|-----------|------------|------------|------------|
| <b>Total Funding Committed</b> | <b>£5,507,598</b> | <b>£6,200,602</b> | <b>40</b> | <b>423</b> | <b>173</b> | <b>596</b> |
|--------------------------------|-------------------|-------------------|-----------|------------|------------|------------|

## 2. Defrayment of Funds

2.1 Each company applying to the programme provides a profile for the drawdown of funds. This drawdown would be dependent on the needs of the business and the company's plans for growth. The profile for the defrayment of funds is as follows:-

|   |                      |
|---|----------------------|
| <b>Funds defrayed as of close of programme March 2015</b> | <b>= £5,510,000*</b> |
|---|----------------------|

\* Includes £2,402 contribution to marketing

### 3. Profile for Repayments of Funds (as at 31 March 2017)

**3.1** All repayment of loans and returns on equity investments will be reinvested into future financial support programmes, for businesses. The table below provides details of the repayment profile. The total amount to be repaid is £5,099,144. One company was awarded an equity investment in the sum of £250,000.

**3.2** There are two loan repayment periods per financial year i.e. March and September. The cumulative estimated amount to be repaid by March 2017 was £1,872,184. The actual amount received to date is £1,762,101, which represented an achievement of 94%. The target figure is subject to change due to contract variations, applicants repaying their loan in full, earlier than anticipated, to allow early release of KCC charges and companies going into administration and the full value of the loan will not be recovered.

| 2014/15<br>Target and<br>Actual    | 2015/16<br>Target and Actual       | 2016/17<br>Target and Actual                 |  | TOTAL TO DATE  |
|------------------------------------|------------------------------------|--|--|--|
| Target=£131,760<br>Actual=£131,760 | Target=£820,351<br>Actual=£814,099 | Sep 16<br>Target=£462,977<br>Actual=£419,204 | March 17<br>Target=£457,096<br>Actual=£397,038 | <b>Target=£1,872,184<br/>Actual=£1,762,101<br/>94%</b> |
| 2017/18<br>Targets                 | 2018/19<br>Targets                 | 2019/20<br>Targets                           | 2020/21<br>Targets                             | Total Repayment<br>due by 2021:<br><b>£5,099,144</b>   |
| £1,117,804                         | £1,111,038                         | £693,945                                     | £304,173                                       |  |

### 4. Monitoring Returns (April 2017 to June 2017)

**4.1** The monitoring returns for the Escalate programme for the period April 2017 to June 2017, have resulted in 77% being flagged as Green status (performance fully met as per loan agreement), or Amber status (slight slippage but in the main delivery of job outputs as per loan agreement), as follows:

| No. of<br>investments<br>awarded | No. of<br>companies<br>in monitoring<br>reporting<br>cycle | No. of<br>companies<br>reporting on | No. of<br>companies<br>in <b>Green</b><br>Risk Status | No. of<br>companies<br>in <b>Amber</b><br>Risk Status | No. of<br>companies<br>in <b>Red</b><br>Risk Status |
|----------------------------------|--|-------------------------------------|---|---|---|
| 40*<br>*includes<br>5 bad debt   | 35   | 35                                  | 18 (51%)  | 9 (26%)   | 8 (23%)   |
| <b>Combined Loan Value</b>       |  |                                     |   |   |   |
| £5,507,598                       | £4,811,598   | £4,561,600                          | £2,470,544  | £1,447,216  | £643,840  |

It is important to note there are three categories with the **RED** status in this current quarter – see table below:-

| <b>Breakdown of Red Risk Status<br/>23%</b> | <b>Category A<br/>Non Payment<br/>of Debt</b> | <b>Category B<br/>Nil Return of<br/>Monitoring Form</b> | <b>Category C<br/>Significant Shortfall on<br/>Milestones / Targets</b> |
|---|---|---|---|
| No. of Companies                            | 0   | 0   | 8   |
| Combined Loan Value                         |   |   | £643,840  |
| Actions to be taken                         |   |   | Companies under review  |

The action taken on 8 (23%) companies in Red Status in the current quarter is as follows:-

|                      |   |
|----------------------|---|
| <b>Category A =</b>  | N/A   |
| <i>Action taken:</i> |   |
| <b>Category B =</b>  | N/A   |
| <i>Action taken:</i> |   |
| <b>Category C =</b>  | 1 company: <ul style="list-style-type: none"> <li>Issues with loan repayments.</li> </ul> 4 company: <ul style="list-style-type: none"> <li>Behind on job targets.</li> </ul> 3 companies: <ul style="list-style-type: none"> <li>Company dormant.</li> </ul> |
| <i>Action taken:</i> | Currently in discussion with companies to reach resolution.   |

\* Excluded from figures in 4.1 due to being bad debt.

| <b>Cumulative<br/>Bad Debts</b>     | <b>No. of<br/>Companies</b> | <b>Percentage<br/>No. of<br/>Companies<br/>Supported</b> | <b>Loan<br/>Value</b> | <b>Loan<br/>Recovered</b> | <b>Percentage of<br/>Overall Defrayed<br/>Funds<br/>£5,507,598</b> |
|-------------------------------------|-----------------------------|--|-----------------------|---------------------------|--|
| <b>Previous Bad Debt</b>            | 5                           | 12.5%  | £696,000              | £159,100                  | 9.7%   |
| <b>Current Quarter<br/>Bad Debt</b> | 0                           | 0%   | £0                    | £0                        |  |
| <b>Total Bad Debt</b>               | 5                           | 12.5%  | £696,000              | £159,100                  |  |

**4.2** The creating and safeguarding of contractual job targets have been verified from the monitoring returns covering the period April 2017 to June 2017. The evidence gathered includes employment contracts and payroll reports. The full details of jobs created and safeguarded are below:-

| <b>Job Status</b>       | <b>Target to Date</b> | <b>Actuals to Date</b> | <b>Percentage<br/>against Target</b> |
|-------------------------|-----------------------|------------------------|--------------------------------------|
| <b>Jobs Created</b>     | 347                   | 260                    | 75% (Green)                          |
| <b>Jobs Safeguarded</b> | 173                   | 147                    | 85% (Green)                          |

**From:** Mark Dance, Cabinet Member for Economic Development  
 Mike Hill, Cabinet Member for Community and Regulatory Services  
 Barbara Cooper, Corporate Director for Growth, Environment and Transport

**To:** Growth, Economic Development & Communities Cabinet Committee – 21 November 2017

**Subject:** Financial Monitoring 2017-18

**Classification:** Unrestricted

**Recommendation(s):**  
**The Growth, Economic Development & Communities Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2017-18 that are within the remit of this Cabinet Committee, based on the August monitoring reported to Cabinet on 30 October 2017.

**1. Introduction:**

1.1 This will be a regular report to this Committee on the forecast outturn of the Growth, Environment and Transport (GET) directorate.

**2. Background:**

2.1 A high level financial monitoring report is regularly presented to Cabinet, usually on a monthly basis, outlining the financial position for each directorate together with key activity indicators. This will be reported to Cabinet Committees following consideration by Cabinet. A link to the August monitoring report for 2017-18 has been provided.

2.2 Although a link to the full report is provided, this Cabinet Committee only needs to consider the items that are within it's remit, e.g. certain services within the GET directorate. These are contained within the following sections of the Cabinet report: Table 1 (revenue position by Directorate), section 3.3.7 (headline revenue movements since the last report), section 3.4.8 (revenue budget monitoring headlines), and section 5 (capital); and Appendix 1 (Breakdown of Directorate Monitoring Position).

### 3. Recommendation(s):

**The Growth, Economic Development & Communities Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2017-18 that are within the remit of this Cabinet Committee based on the August monitoring reported to Cabinet on 30 October 2017.

### 4. Background Documents

#### 4.1 August monitoring report for 2017-18:

<http://kcc-app610:9070/documents/s80813/BudgetMonitoringAugustFinal.pdf>

### 5. Contact details

#### **Report Author**

Kevin Tilson, Finance Business Partner, Growth, Environment & Transport  
Telephone number: 03000 416769  
Email address: [kevin.tilson@kent.gov.uk](mailto:kevin.tilson@kent.gov.uk)

#### **Relevant Director**

Barbara Cooper, Corporate Director, Growth, Environment & Transport  
Telephone number: 03000 415981  
Email address: [barbara.cooper@kent.gov.uk](mailto:barbara.cooper@kent.gov.uk)

**From:** John Lynch, Head of Democratic Services

**To:** Growth, Economic Development and Communities Cabinet Committee  
21 November 2017

**Subject:** Work Programme 2018

**Classification:** Unrestricted

**Past and Future Pathway of Paper:** Standard agenda item

**Summary:** This report gives details of the proposed work programme for the Growth, Economic Development and Communities Cabinet Committee.

**Recommendation:** The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its Work Programme for 2018.

## **1. Introduction**

- 1.1 The proposed Work Programme, appended to the report, has been compiled from items in the Future Executive Decision List and from actions identified during the meetings and at agenda setting meetings, in accordance with the Constitution.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Members, is responsible for the programme's fine tuning, this item gives all Members of this Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

## **2. Work Programme 2018**

- 2.1 The proposed Work Programme has been compiled from items in the Future Executive Decision List and from actions arising and from topics, within the remit of the functions of this Cabinet Committee, identified at the agenda setting meetings [Agenda setting meetings are held 6 weeks before a Cabinet Committee meeting, in accordance with the Constitution].
- 2.2 The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered at future meetings, where appropriate.
- 2.3 The schedule of commissioning activity which falls within the remit of this Cabinet Committee will be included in the Work Programme and considered at future agenda setting meetings to support more effective forward agenda planning and allow Members to have oversight of significant services delivery decisions in advance.
- 3.5 When selecting future items, the Cabinet Committee should give consideration to the contents of performance monitoring reports. Any 'for information' items will be sent to Members of the Cabinet Committee separately to the agenda and will not be discussed at the Cabinet Committee meetings.

3.6 In addition to the formal work programme, the Cabinet Member for Economic Development, the Chairman of the Cabinet Committee and other interested Members are intending to visit all district councils over the next two years starting with Dover, Dartford, Swale and Thanet.

#### **4. Conclusion**

4.1 It is vital for the Cabinet Committee process that the Committee takes ownership of its work programme to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates of requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings, for consideration.

**5. Recommendation:** The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its Work Programme for 2018.

**6. Background Documents:** None

#### **7. Contact details**

Report Author:

Georgina Little  
Democratic Services Officer  
03000 414043  
[Georgina.little@kent.gov.uk](mailto:Georgina.little@kent.gov.uk)

Lead Officer:

John Lynch  
Head of Democratic Services  
03000 410466  
[john.lynch@kent.gov.uk](mailto:john.lynch@kent.gov.uk)



**GROWTH, ECONOMIC DEVELOPMENT AND  
COMMUNITIES CABINET COMMITTEE  
WORK PROGRAMME 2018**

***(Members agreed that the number of jobs being created through the work being undertaken in the reports presented to the Cabinet Committee should appear at the top of each report where appropriate)***

| Item                                    | Cabinet Committee to receive item |
|---|-----------------------------------|
| Portfolio Dashboard                     | At each meeting                   |
| Budget Consultation                     | Annually (November/December)      |
| Final Draft Budget                      | Annually (January)                |
| Annual Equality and Diversity Report    | Annually (September)              |
| Risk Register – Strategic Risk Register | Annually (March)                  |
| Directorate Business Plan               | Annually (March)                  |
| Work Programme                          | At each meeting                   |
| Regional Growth Funding Monitoring      | Bi-annual reporting -             |

**Tuesday 16 January 2018**

- Declarations of interest
- Minutes
- Presentation - Visit Kent
- Performance Dashboard
- Invite CCCU back to present - **requested at GED agenda setting on 9/10/2017**
- Work Programme 2018 – include Programme of visits to districts
- Developer Contributions for Libraries, Registration and Archive (LRA) Services **deferred from Nov to Jan**
- Update on Performance of Guilds
- 17/00047 Faversham Creek Swing Bridge
- 2018/19 Budget and Medium Term Financial Plan– **deferred from Nov to Jan**
- Report on Committee visit to Swale Borough, 28 November 2017 (new standard item)
- Contract Management

## Wednesday 7 March 2018

- Declarations of interest
- Minutes
- PRESENTATION - Rural Economy by Kent Rural PLC
- Performance Dashboard
- Work Programme 2018 – incl Programme of visits to districts
- Extension of VK Contract
- LRA ambition work
- Directorate Business Plan
- Risk Register
- Report back from district visits (new standard item)
- Contract Management

## Items that have not been allocated to a meeting

|  |   |
|--|---|
| <p><b>Presentations</b></p>  | <ul style="list-style-type: none"> <li>• Margate Seafront</li> </ul>  |
| <p><b>Other items</b></p> <p><b>This item was superseded by the district visits (this will be removed from future Work Programmes)</b></p> | <ul style="list-style-type: none"> <li>• Otterpool Garden Town</li> <li>• Thames Estuary Commission</li> <li>• Theme Park project on Swanscombe Peninsula – regular updates</li> <li>• Ebbsfleet Development Corporation - Tom Marchant</li> </ul> <p>• A series of items focussing on economic transformation (digital, low carbon, internationalism)<br/>District focussed presentation on what is happening to support local growth <i>would need to be meaningful, maybe look at areas instead of districts</i></p> |